

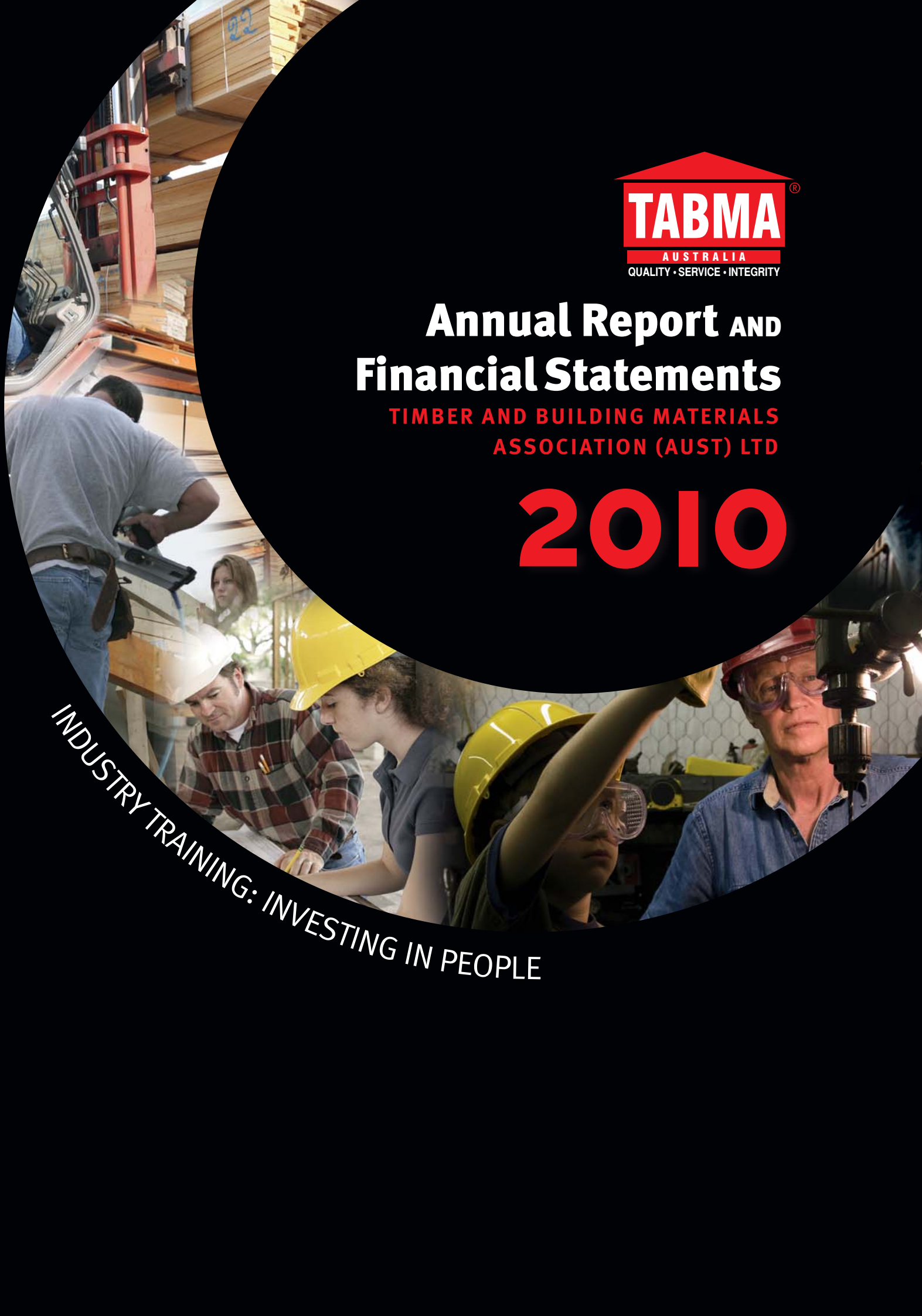


Annual Report AND Financial Statements

TIMBER AND BUILDING MATERIALS
ASSOCIATION (AUST) LTD

2010

INDUSTRY TRAINING: INVESTING IN PEOPLE



PRESIDENT'S REPORT 2010

At the end of my third year as President of TABMA (Aust) Ltd, I am pleased to present the President's Report on behalf of my fellow Directors.

The good news is the Reserve Bank appears to be prepared to leave interest rates on hold; however without the government stimulus of the first home buyers boost and the social housing initiative, we have seen a sustained weakness in approvals and finance, indicating that new housing construction will most likely remain flat over the short to medium term. The volume of work done on major alterations and additions rose for a fourth consecutive quarter in June 2010. Also the new government insurer, the NSW Self Insurance Corporation (SICORP) has just released new insurance pricing for Home Warranty project applications.

At a general meeting held on Thursday 25 March 2010, TABMA members considered a recommendation by the board and approved a change to the company's Constitution that would see the number of board members reduced from 15 to 13 effective at the 2010 AGM, and then from 13 to 11 effective at the 2011 AGM. These changes are designed to bring the Association into line with more modern corporate practices.

We are constantly trying to improve membership benefits and at the time of writing TABMA was finalising details with IMC Newbury insurance brokers to offer members a group trade credit insurance scheme that will be underwritten by QBE. This scheme has huge potential to offer members flexibility and savings when insuring their debtors. TABMA is

also working closely with AFS and FSC to assist and provide members with up to date information regarding Chain of Custody and has also negotiated beneficial member rates for certification.

The board considered a management recommendation to change the name of TABMA's group training organisation, TABMA Training Pty Ltd, to try and change the perception in the market place that TABMA actually focuses on the provision of training. The board agreed and it was resolved to alter the name to TABMA Workforce & Career Development Pty Ltd, a name that better reflects and promotes the wider range of services on offer including:

- Group training – employment of trainees & apprentices and monitoring their development during placement with host employers; and
- Recruitment of lower level participants in the timber and building material industry at a fraction of the cost of normal recruitment agencies; and
- Organising and administering courses on behalf of registered training organisations specific to the timber and building materials industry.

On the financial side the group reported a loss of \$91,624 that included income tax expense of \$67,647 compared to the \$73,905 profit for the previous year, falling short of our expectations for 2009/10. There were one off costs that had to be expensed relating to the relocation to St Leonard's, which included making good at the previous office in Surry Hills and removal costs. Also though we saw trainee/apprentice numbers increase from 47 last year to 75, profits were lower than forecast due to re-

structuring and the employment of additional resources designed to further grow the business. It is expected the benefits of this investment will be recouped in the coming year.

Due to mixed results produced by TABMA's division in Western Australia the board has decided to move forward in that state via a change in strategic approach to better promote the benefits of membership. However, our start up investment in South Australia is progressing extremely well and whilst both states contributed to a lower profit, this was expected. We are forecasting continued improvement, which in turn will lead to better results in both divisions.

On a positive note TABMA's waterfront operation, Timber Tallying (NSW) Pty Ltd, handled 13.4 million superfeet of imported West Coast of America timber for the year, an increase of almost 70% on the previous year. Our credit information bureau, BTC, maintained its member base and still maintains its relationship with Creditworks Australia Pty Ltd to provide adjunct credit reports to members. TABMA Consultancy also continues to provide a valuable OH&S site auditing service to the industry with a customer base of over 100 and still growing.

The board has taken a number of hard decisions this past year, particularly in terms of resources; however it was felt that these decisions will not only benefit TABMA in the short term, but also strengthen its position in the years ahead.

Finally, I would again like to thank the Board for the support needed over the past year to ensure we maintain the focus on TABMA to ensure it continues to be the brand of choice for our members.



Peter Hutchison
President
TABMA Australia Ltd

Hard decisions taken this past year will strengthen TABMA's position in the years ahead

CEO'S REPORT

On 31 August 2009 TABMA moved head office from Surry Hills to a more modern and cost effective location at Level 6, 486 Pacific Highway, St Leonards.

Our friends the NSW Timber Development Association (TDA) and NSW Forest Products Association (FPA) also moved from their city location to the same floor of the St Leonards premises. The relocation of the three associations to the same address has dramatically improved communication between us and led to increased co-operation.

In September 2009, following the demise of TDA South Australia, we saw the opportunity to open an office in Adelaide. This decision has proven successful with, at the time of writing, over 20 members joining TABMA SA. Our SA Manager, Jason Howse, is placing trainees and apprentices with members and is also conducting OH&S audits.

Throughout the current year we will be continuing to work closely with Forest & Wood Products Australia (FWPA) in assisting promote the Wood, Naturally Better program partnership.

The alliances formed in 2008/09 with the

Windows & Doors Industry Council (WADIC) and Hardware & Building Traders (HBT) has proven very successful and allowed TABMA to promote the placement of trainees and apprentices to these groups.

Chain of Custody in the timber industry is rapidly becoming more relevant and to this end your association is working closely with Australian Forestry Standard (AFS) and the Forest Stewardship Council (FSC) to obtain certification for members at minimal disruption to business and at a reduced cost.

At TABMA our members come first, and maintaining contact with members and obtaining feedback on how we can improve the services and benefits offered remains a priority. We will continue to communicate with members through regular visits from our field staff, quarterly publication of the TABMA Talk newsletter and regular industry updates via email.

Our 2009 Awards Dinner was a very successful event attracting over 250 guests. This year our Dinner has been renamed the Timber Industry Annual Dinner and will incorporate the 2010 Australian Timber Design Awards. The Dinner is

Colin Fitzpatrick
Chief Executive Officer



for the first time being supported by TDA NSW, FPA and FWPA with an expectation of over 350 attendees including guests from interstate and New Zealand. The venue will again be Luna Park.

Due in part to one off costs associated with the move, along with South Australian establishment expenses and the employment of additional resources in NSW, our profit for 2009/10 fell short of our expectations. However, an anticipated increase in national trainee and apprentice numbers in 2010/11 combined with additional income from other sources should see us finish above our budgeted figure for the current fiscal year.

I would like to personally thank all TABMA staff for the effort and commitment they have exhibited throughout 2009/10 and thank our President and Board of Directors for their encouragement and support.

Association Activities

TABMA Annual Awards/Gala Dinner

The TABMA bi-annual Annual Awards on Friday 6th November 2009 was again held at Lunar Park on the spectacular Sydney Harbour with over 250 guests in attendance.

This year TABMA will be holding the bi-annual Timber Industry Annual Dinner 2010 on Friday October 29 and due to overwhelming requests it will be again held at Luna Park. This year the dinner incorporates the 2010 Australian Timber Design Awards. The Australian Timber Design Awards will feature the best in timber Architecture.

This industry premier event is supported by Timber Development Association NSW, NSW Forest Products Association and Forest & Wood Products Australia each of whom will be inviting their Board of Directors, members and special guests.

Winners from the 2009 awards were:

Best Building Materials Centre – Brennan's Mitre 10 Home & Trade; Best Frame & Truss – Heyden Frame & Truss; Best Traditional Timber Yard – Peninsula Timbers Pty Ltd; Best Specialist Timber Manufacturing Site – Fedwood Pty Limited; Wholesaler of the

Year – ITI (NSW) Pty Ltd; Host Employer of the Year – Gibson Shopfitters Pty Ltd; Apprentice of the Year – Tony Nagle; Trainee of the Year – Grant Donaldson; Supplier of the Year – ITI (NSW) Pty Ltd; Sales Rep of the Year – John Kelly (Tasman KB Pty Ltd).

TABMA Talk

We produce a quarterly newsletter that keeps members up-to-date with industry issues, regular member profiles and new services.

Email Information

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

Industry Networking

Member breakfasts, events and information seminars are regularly conducted to ensure you are both well informed and given an opportunity to network amongst industry peers.

Chain of Custody Breakfast Seminar

In response to numerous requests from members, TABMA held a breakfast seminar on Chain of Custody at Rydges Parramatta 8th April 2010. With over 70 members in attendance, presentations were made by

Michael Spencer - Forest Stewardship Council (FSC), Robin Mellon - Green Building Council of Australia (GBCA), Simon Dorries - Engineered Wood Products Association (EWPA) and then Kayt Watts Australian Forestry Standard (AFS).

The breakfast was very informative with the AFS and FSC representatives talking about their own certification systems. GBCA speaking about their 5 star rating system and how certification will play a part in the assessment EWPA talking about the actual certification and audit process.

Finished Size & Profiles Book

This publication is a marvellous promotional tool for members assisting their customers to more easily specify timber products and can be found on TABMA's Website <http://www.tabma.com.au/resources.php>

TABMA Website

The new TABMA website includes many useful sections for members to source business information, provides exposure for TABMA members through a powerful search by postcode function and has a database that allows prospective trainees/apprentices and host employees to find and match vacant positions. The site is regularly updated with new information.

Membership Services

■ Parry Carroll Lawyers

A long established CBD firm of 8 lawyers with specialities in business law, tax, litigation, insolvency and property work. The firm is pleased to provide TABMA members with a one hour meeting, free of cost or further obligation, on their first dealing with Parry Carroll.

For an appointment, contact John Theoharris on (02) 9277 3144.

Email: johnt@tabma.com.au

Web: www.parrycarroll.com.au

■ 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

In addition to a quarterly newsletter, the Association subscribes to many national and international publications of which relevant details are passed on to the various sectors of Membership.

■ 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.

Other General Member Benefits

■ Savings

Discounts for TABMA members on a range of services and products, from the following suppliers:

- > **Caltex** – fuel
- > **Mobil** – fuel
- > **Ryda.com** – electronic devices
- > **CK Sport** – corporate clothing
- > **Speed-e-gas** – gas cylinders
- > **NUS Consulting** – electricity
- > **Gow Gates** – general insurance
- > **QBE Trade Credit** – debtors insurance
- > **Disprax** – computer software
- > **Veolia** – waste disposal
- > **Travelcorp** – travel
- > **Barringtons** – first aid training.

■ Industry Specific or Commercial Advice

The Association endeavours to keep abreast of all commercial, legislative or bureaucratic issues that impact on our industry and possibly your business. Whilst important or critical issues are communicated as they occur members are invited to seek advice from TABMA at anytime.

Our efforts to provide this information are strengthened through our close alliance with NSW Business Chamber.

■ 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.

Commercial Activities

■ TABMA Workforce & Career Development Pty Ltd

TABMA Training provides a very important service to our industry ensuring members are given the choice to train up new staff through the group training environment. This method of training is very cost effective for members who are relieved of all the administrative and human resource burden of training new staff.

■ TABMA OH&S

TABMA offers a very cost effective Occupation Health & Safety auditing and advisory service so members can best manage the risks and exposure associated with the workplace environment. Through a Certified Safety Auditor TABMA can help members better understand the OH&S Act 2000 and associated legislation.

■ TABMA Recruiting

Through this division we provided a permanent placement service where members used TABMA to find people to fill permanent and casual vacancies. Our rates are very competitive and members benefit from TABMA's knowledge of the industry.

■ Timber Tally (NSW) Pty Ltd

A valuable industry service that ensures the timely delivery of timber imported by TABMA importers from the American West Coast into Port Kembla.

■ 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. BTC also enhanced its reporting product by offering public record searching information available from ASIC and Veda Advantage through a joint venture arrangement with CreditWorks Australia Pty Ltd.



TIMBER AND BUILDING MATERIALS ASSOCIATION LIMITED

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

Directors 2009/10 Peter Hutchison, President – MiTek Australia Ltd; John Harrison, Vice President – Harrison's Timber Pty Ltd; Michael Swan, Vice President – Swan Le Messurier Pty Ltd; Ian Halliday – Harper Timber; Brenton Christopher – John Cook & Sons; Danny Gattone – Swadlings Timber & Hardware Pty Ltd; Ron Gattone – Crescent Timber & Hardware Pty Ltd; Glenn Johnston – Stockwells Joinery Pty Ltd; Gary Walker – Belmont Timber Co Pty Ltd; John Wilson – Hardware & General Supplies Ltd; Mark Willey – Gunnersen; John Wilson – Hardware & General Ltd; Kerrie Guest –

Walker Bros Timber & Building Supplies; Haytham Moshi – ATS Timber; Sam Helou – Craig Timber Products

Chief Executive Officer Colin Fitzpatrick

Company Secretary & Registered Office

John Theoharris, Suite 603, Level 6, 486 Pacific Highway
St Leonards NSW 2065 Tel: (02) 9277 3100 Email: info@tabma.com.au

Staff Justin Dwyer – National Group Training Manager; Jason Howse – Membership Manager (SA); Kevin Kelly – Manager Timber Tallying; Kevin Lui – Company Accountant; Darrell Jones –

Field Consultant; David Jones – OH&S Consultant; Alissa Mizzon – Assistant Accountant; Nicollette Molnar – Receptionist

Bankers ANZ Banking Group

Auditors Stewart Brown & Co, Tower 1, Level 2, 495 Victoria Ave, Chatswood NSW 2067

Subsidiary Companies TABMA Workforce & Career Development Pty Ltd; Timber Tallying (NSW) Pty Ltd; TABMA Consulting Pty Ltd; TABMA Properties Pty Ltd