



TABMA is a member-based industry organisation representing building materials suppliers, timber merchants, timber importers and related service providers. TABMA provides companies with practical solutions to improve business management, growth and profitability.



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## Modern Awards and the 'better off overall test'

*Just when you thought it was safe to return from Christmas, the governments have conspired against us to throw less red tape (or is that supposed to be more) at the system of industrial relations.*

To ensure the guys in the pay office aren't taking it easy, the Federal Government introduced '**Modern Awards**' on 1 January 2010. It is part of a redesign by COAG (Council of Australian Governments) that will see awards simplified, OH&S clarified and brought under one jurisdiction and various measures introduced pre-Rudd government, repealed.

Modern Awards have sought to reduce some 4,000 awards throughout Australia to something like 140. This has meant a huge task and much hand-wringing as to which occupation was placed under which award. TABMA Training has seen a reduction in their own awards from over sixty to probably eight or nine, if you wish to count trainees (for whom there are hundreds of occupations!).

The government has decided it will be a two-stage process, so that the only thing that has changed thus far (and that we must commence paying from January 1) is allowances. The actual crunch will come on 1 July 2010 when wages will go up. Some of these increases will be significant, because apprentices in some cases have not had a wage rise in 24 months or more.

Good so far; however some individuals would appear to have lost out under the change of awards e.g. cabinetmakers, floor coverers and upholsterers have disappeared under the 'Furniture & Furnishing Trades



(State) Award' and reappeared under the 'Timber Industry Award 2010 MA000071'. So that these people are not disadvantaged, the third initiative (again from 1 Jan 10) – the 'Better Off Overall Test', has been instituted! The BOOT test means that if, in the interim period where allowances have moved and wages have remained the same, but you are worse off by shifting awards, your former total amount of take home pay will apply! Confused?

This is why your friendly TABMA staff member is available from now on to explain the ramifications for your particular shop, plant or industry. They will have at the ready the award increases, the allowance increases and be able to explain what will happen between now and 1 July 2010. It's like that old line the government uses, 'we're here to help!'. More information on the Modern Awards will be passed along as soon as we know it, so that hopefully come 2 July 2010, we will be in a position where everyone understands how the Modern Awards apply to their particular business.



## From the CEO's Desk

I would like to draw the attention of our members to the Wood Naturally Better program.

This marketing program has been created to give information about Australia's forest and wood products sector. The aim is to help everyone understand the natural advantages of wood and its positive contribution to reducing the effects of climate change.

Approximately half the dry weight of wood is carbon. For example, a 50kg wooden table can contain more than 20kg of carbon.

In October 2009, TABMA negotiated with Forest & Wood Products Australia Pty Ltd (FWPA) to exclusively market the Wood Naturally Better (WNB) program to timber merchants, timber importers, timber wholesalers and all TABMA members throughout Australia. If you are not already a WNB program partner you will soon be approached by a representative of TABMA extolling the virtues of the program.

This exciting program, which can only draw favourable attention to our industry, is free to join and is resourced by FWPA ([www.fwpa.com.au](http://www.fwpa.com.au)) and is a collaborative effort between FWPA members and levy payers; it is supported by industry peak bodies and timber associations.

There has been and will continue to be a strong national media marketing campaign by FWPA promoting the virtues of timber and its positive impact on climate change. By becoming a Wood Naturally Better program partner you will not only assist your own business but will help grow our industry. For further information please contact TABMA on 02 9277 3100.

As TABMA continues to grow throughout Australia, your directors agreed at the October 2009 Board Meeting, to change the name of your association to Timber & Building Materials Association (Aust) Ltd. By deleting the (NSW), this minor change reflects our growth to a truly national association. TABMA is an association to which all members can justifiably proudly belong.

**Colin Fitzpatrick**

# TABMA Awards Gala 2009



**Guests arriving at Luna Park on Sydney Harbour for the TABMA Awards Night**

With over 250 guests attending, the bi-annual TABMA Annual Awards 2009 were again presented at Luna Park on Sydney's glorious harbour. All reports were that guests enjoyed the food, the opportunity to socialise and for the more energetic some dancing. The awards evening has become an important event in the industry's calendar. We know that award winners have worked hard each year to "get their house in order" for the awards and we encourage all other members to do the same.

In November we will cycle to the bi-annual Gala Dinner with details to be announced shortly.

## Award Winners – 2009

*Host Employer of the Year* – Gibson Shopfitters

*Trainee of the Year* – Grant Donaldson – Dindas Australia

*Apprentice of the Year* – Tony Nagle – Acacia Timber Products Pty Ltd

*Sales Representative of the Year* – John Kelly – Tasman KB Pty Ltd

*Supplier of the Year* – ITI (NSW) Pty Ltd

*Best Building Materials Centre* – Brennans Mitre 10, Dubbo

*Best Frame & Truss Operation* – Heyden Frame & Truss North, Wyong

*Best Traditional Timber Yard* – Peninsular Timbers Pty Ltd, Cromer

*Best Specialist Timber Manufacturing Site* – Fedwood Pty Ltd, Leichhardt

*Wholesaler of the Year* – ITI (NSW) Pty Ltd St, Marys

## Sponsors – 2009

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# TABMA Awards Gala 2009 *...continued from page 2*



*From left to right:*  
**ITI (NSW) Pty Ltd – Craig Davies**  
**John Kelly – Tasman KB Pty Ltd**  
**Brennans Mitre 10 Dubbo – Bruce McDermaid**  
**TABMA CEO – Colin Fitzpatrick**  
**TABMA President – Peter Hutchison**  
**Heyden Frame & Truss – Roy Edwards**  
**Apprentice of the Year – Tony Nagle**  
**Trainee of the Year – Grant Donaldson**  
**Fedwood Pty Ltd Leichhardt – Robert Hudson**  
**Peninsular Timbers Pty Ltd Cromer – John Reid**



*Apprentice of the Year – Tony Nagle flanked by TABMA President Peter Hutchison on the left and TABMA CEO Colin Fitzpatrick on the right*



## Staff Profile



**Melanie Firke**

Melanie, who is now 29 years old, finished her High School education at Keira Technology High School Wollongong in 1998. She has since had a very interesting career travelling to Italy in 1998, spending 1 year as a childcare teacher. On her return to Sydney, she held various roles in administration and also as a personal assistant with Collex (now known as Veolia) and the NRMA. Melanie joined TABMA in October 2006 and currently fills the role of company administration officer. She recently finished a TABMA Traineeship in Certificate IV Business (Front Line Management) and looks forward to being a productive part of the TABMA team. Mel's personal interests are in the outdoors, recently bushwalking and camping with her husband in Balmoral Village in the Southern Highlands.

# Are you purchasing the right levels of cover?

Our last article touched on the importance of “Insurer Security” when placing your insurance and risk management programme. Another major consideration to be taken into account is the limits of liability, declared values and levels of cover needed to ensure your business remains viable and profitable for the shareholders, owners, families, employees and most importantly your current clients.

Timber & Hardware businesses cannot operate without buildings (whether owned or leased), plant, machinery, contents and stock. These items of property and capital assets are all pertinent for an organisation to be run successfully. The protection of these assets is generally achieved via an individually tailored risk management and insurance programme. Unless these programmes are reviewed and updated on a regular basis, they may become ineffective and/or obsolete.

By having outdated covers and/or risk information with the insurance you are purchasing, you may end up with inadequate levels of protection, leaving you possibly “under-insured”. The technical definition of being “under-insured” is when the declared values/sums insured are below the actual replacement cost of the insured items, meaning you may not receive the full entitlements under an insurance policy following a claim.

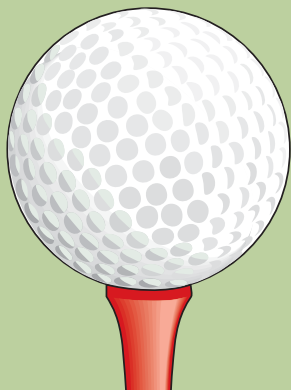
With respect to the declared values/sums insured of your physical

assets, it is imperative that they are set at a level which will cover the full replacement costs and full insurable value. Generally property insurance policies are subject to an “Average Clause” or “Co-Insurance Clause”, whereby if the assets are under-insured, you may be liable to contribute financially to the replacement of the asset following a loss that is covered under the policy. This would present quite an unpleasant and unexpected scenario following the outlay of significant amounts of money spent on your insurance policies.

We recommend that your organisation undergoes an independent valuation of all property, for full insurable replacement cost purposes, every 3 to 4 years. Advice can also be sought from quantity surveyors, builders, architects and accountants to name a few.

Gow-Gates Insurance Brokers can provide a “Complimentary Audit” of your current risk management and insurance programme and make recommendations on the resources available to ensure you are adequately protected. An audit can quickly address any areas of any prospective issues surrounding the possibility of under-insuring your assets and business profits.

**Brett Duprez**  
Senior Account Executive  
Gow-Gates Insurance Brokers/TABMA  
Relationship Manager.



## TABMA Sponsored Golf Day

Please put this important industry social event in your diary:

**Tuesday March 9**

Muirfield Golf Club, Perry Street, North Rocks  
Golf Lunch & Dinner \$90.00

Individual & 2BBB Stableford Event

In support of Prostate Cancer Council

RSVP Keith Johnston **0407 00 44 10**

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# Experience and service reaps awards

**Robert Hudson of Fedwood Pty Ltd at Balmain Road, Leichhardt NSW has won 8 TABMA Awards over the last 10 years and been nominated many times.**

What makes this company so successful in business and in winning awards ?

Recently we took a look behind the scenes and had an enjoyable chat with Robert (pictured below) who was more than happy to share his work experiences with us.

Robert attended Knox Grammar School in Sydney and on leaving school joined an accountancy firm. He was soon called up for National Service and after National Service was asked by his uncle, Ian Hudson, to join his company A Hudson.

Aged 20 Robert told his uncle that he would like to travel so a job with Commonwealth New Guinea Timbers was arranged in Bulolo, New Guinea. Robert remained in New Guinea for 18 months when he was asked to return to Sydney to join the public company George Hudson Pty Ltd run by his second cousin Eric Hudson. Robert commenced as a labourer and worked on the lighters unloading timber from overseas. Robert eventually became Branch Manager at Regents Park and after getting married in 1960 he was transferred to Innisfail in North Queensland managing a staff of 120.

In 1966 he requested a transfer back to Sydney and returned as Manager of the Flooring Division. Unfortunately around 1970 George Hudson went into receivership so Robert joined Bowater Paper as a timber sales representative. After 9 months he was asked to join Gibbs Bright as sales manager. Gibbs Bright were importers and distributors of timber & plywood. After only 4 months with Gibbs Bright, Bowater asked him to rejoin them as National Timber Division Manager. In 1973 Bowater were taken over by the UK company Raleigh so Robert joined Millars NSW as Manager Millars Mt Druitt. Shortly after he was moved to

Head Office in the city working under Dick Trousdale (TABMA President 1981–1987) as timber marketing manager. In 1981 Robert was asked to join Mallinson Wholesale as NSW Manager where he stayed until 1986 when he joined Parbury Henty Gibbs Bright as State Manager NSW. He was there 1 year when he was asked by Dick Darnoc to join Weyerhaeuser as sales manager.

In 1988 Robert was informed by his uncle, Ian Hudson, that there was a timber yard in Leichhardt/Balmain called Fedwood that was for sale. After scraping some money together Robert and his wife purchased the company. Fedwood then was predominantly a wood turning mainly wholesale business supplying hardware stores and staircase installers. The turnover was approximately \$600k per annum and they employed 5 people. The major customers were A Hudson, BBC Hardware and Mitre 10.

Around 1991, with Australia in recession, the market changed, with a decline in the use of timber balustrades for staircases to other materials, so Robert identified the

opportunity to cease being a wholesaler and become a retailer selling timber mouldings, architraves and general timber. Thus virtually overnight Fedwood became a boutique timber yard and timber merchant. The opportunity also presented itself to become a jobbing factory to replicate federation and period woodwork.

Today the company does not run accounts – business is done by cash or credit card and after at one time having a staff of 17 this very successful unique business now employs just 5. Turnover in 2010 is around the \$1.5m mark and 50% of that turnover comes from special orders from consumers and builders, 40% from general timber and mouldings and 10% from timber balustrades. Advertising is mainly through the internet and word of mouth.

Robert first joined TABMA in 1981 while working with Mallinsons and then joined Fedwood up as a member when he purchased the business.

Fedwood thrives in 2010 on having a specialist role in the timber industry, providing fantastic customer service, having a central Sydney location and not the least having an experienced and successful owner who is a proud TABMA member and award winner.





# TABMA Financial Performance Benchmarking

## **Benchmarking: Why Worry?**

In business it is important to set targets and to measure performance against those targets. These targets can be set in a number of ways. In many businesses these targets are based upon past performance or other internal sources of information. However, a business can become inwardly focused. It is just as important to benchmark performance against other businesses in the same or similar industry. It is when performance is measured against others that managers can really establish whether the business is as profitable as it can be or is operating as efficiently as it can. Benchmarking provides an insight into where a business can aim for improvements in profitability or efficiency. It also allows managers to gauge where their business sits amongst its competitors. So whilst it might take a little time to fill out a survey form, the pay-back can be significant.

TABMA, in conjunction with its auditors, Stuart Brown & Co., will be running a benchmarking survey and seminar in the second half of this financial year. Keep tuned for further information.



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## **ATO email scam warning**

We realise it is unlikely that any of our members would fall for this one, however the ATO have warned us about the latest email scam that they have become aware of. The email has a bogus Tax Office form attached to it, and asks for personal details including credit card details and ATM card PIN numbers. The email asks for the form to be completed, printed, and sent in to a genuine Tax Office address.

The email states that 'after a recalculation of your fiscal activity, we have determined that you are entitled to receive a tax refund of AU\$ xxx'. When the victim fills out the form and clicks the 'print' button, all of the personal details are instantly sent to a third party overseas. After submitting personal details, victims are redirected back to the genuine Tax Office website. These scams are predominantly designed to conduct identity theft and or credit card fraud.

If you receive a suspicious phone call or email relating to your tax, you should contact the ATO immediately.

Important: Persons should not act on the material contained in articles in this newsletter as the items are of a general nature only and may be misinterpreted. Also, changes in legislation can occur quickly. We therefore recommend that advice be sought before acting in these areas. The articles are issued as a helpful guide to TABMA members and are for their private information. It is considered confidential and should not be made available to any other person without our approval.

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