

ANNUAL REPORT
2010 - 2011



NEW ZEALAND PINE MANUFACTURERS
ASSOCIATION INC.

THE PINE MANUFACTURERS ASSOCIATION

The New Zealand Pine Manufacturers Association Inc., more commonly known as **Pine Manufacturers**, was incorporated in 1991 to promote New Zealand's ability to meet international demand for value-added products and components.

Pine Manufacturers is an association comprising businesses of all sizes engaged in the manufacture of solidwood items such as interior fittings and fixtures (mouldings, flooring, paneling, shelving); window, door and stair components; DIY products (dressed boards, mouldings and edge glue panels); exterior products (weatherboards, fascia, door jambs, handrails and balustrades); engineered wood products (Glulam beams and laminated posts); fabrication for building construction (Glulam and LVL) and furniture shelving.

INDUSTRY ALLIANCES: WOODCO

The following goals were determined by a collaborative input involving NZ Forest Owners Association, NZ Wood Processors Association and NZ Pine Manufacturers Assn:

- To improve the profitability of companies
- To increase demand for wood based products including reducing the dependence on trade in wood commodities by increasing the production and sale of margin added products
- To reduce the time and cost currently required of "doing business"
- To increase investment in the industry
- To have a supportive Government which understands the benefits of the industry to the nation's well being and reflects this support actively in Government policy
- To achieve recognition of the non-wood values the industry provides and to improve the public perception of the industry

Pine Manufacturers is a member of Woodco, the industry's overarching body.

: NZ WOOD

NZ Wood has the following key objectives:

- To increase positive perceptions around plantation forests
- To increase the per capita consumption of wood based products, especially in the non-residential construction sector.
- To increase the market share of wood vis a vis competing products such as concrete, steel, aluminum and glass

Pine Manufacturers is a financial supporter of this programme - www.nzwood.co.nz

PINE MANUFACTURERS VISION

“To improve the long term profitability and international competitiveness of quality wood products and building solutions and identify how our industry should position itself for a vibrant future.”

OUR MEMBERS

✦ Manufacturing Members

Belfast Timber Processing Ltd
 Bodyguard Wood Products Ltd
 Buildpro Ltd
 Cleland Timber Ltd
 Corrections Inmate Employment
 Eastown Timber Processors Ltd
 Flight Timbers Ltd
 Fraemohs Industries (NZ) Ltd
 Frontier Solidwood Homes Ltd
 Goodwood Industries Ltd
 Hunters Laminates Nelson Ltd
 Intalok NZ
 Jenkin Timber Ltd
 Kanuka Engineered Wood Products Ltd
 Laminated Beams Ltd
 Lockwood International Ltd
 Lundia Shelving Ltd
 McAlpines Manufacturing Ltd
 McIntosh Timber Laminates Ltd
 Moore Levesque & Morriss Ltd
 Niagara Sawmilling Co Ltd
 New Zealand Mouldings Company Ltd
 North Sawn Lumber Group
 OTC Timber Co Ltd
 Pacific Timber NZ
 Pacific Wood Products Ltd
 PurePine Mouldings Ltd
 Southern Cross Forest Products
 Southern Pine Products Ltd
 Taranakipine
 Tenon Ltd
 Timberbond Industries (NZ) Ltd
 Verda NZ Ltd
 XLam Ltd

✦ Associate Members

Access Pacific Ltd
 Akzo Nobel Coatings Ltd
 Arch Wood Protection
 AsureQuality Ltd
 Chemcolour Industries Ltd
 City Forests Ltd
 Craigpine Timber Ltd
 Damar Industries Ltd
 Dynea New Zealand Ltd
 FITEC
 Fluid Supply Ltd
 Henkel New Zealand Ltd
 Momentive Specialty Chemicals NZ Pty Ltd
 Leitz Tooling NZ Ltd
 Lumberlink Ltd
 Ministry of Agriculture and Forestry
 North Treat (2006) Ltd
 Organic Buildings Ltd
 Orica Powder and Industrial Coatings
 Osmose NZ
 PCL Adhesives
 Pinepac Exports Ltd
 PPG Industries NZ Ltd
 Protective Paints Ltd
 Scion
 S G Equipment Ltd
 Timtech Chemicals Ltd
 Timbalink Ltd
 TimberSmart Ltd
 Vortex Engineering Ltd
 W & R Jack Ltd
 Windsor Engineering Group

✦ Honorary Members

Gerald Hunt
 John Abraham

PRESIDENT'S MESSAGE

It is hard to believe that yet another year has passed and the PMA's AGM is upon us once again. While it has been a difficult year in many respects, on contemplation it is pleasing to note that there have been some highlights in the 2010/2011 year.

Of note was the combined PMA WPA conference which was held in Nelson in July of this year. It is heartening to see the two associations working together in order to create positive outcomes for all members and there was a reasonably high level of enthusiasm and optimism from the participants about the direction in which the industry was heading.

I am sure all members will agree that trading conditions have been difficult and at the conference there was a focus on the value added opportunities for timber product producers. Export market opportunities for value added timber products are still there, however, they require development time and effort in order to achieve successful outcomes. One of the lessons learnt by PMA members who travelled on a fact finding mission to India late last year was that the industry needs a focused, cohesive and professional marketing strategy and more involvement in downstream distribution chains. As members we need to create opportunities not only for ourselves, but where practicable, for products that other member companies are producing by collaborating with them in order to achieve the best results for all concerned.

Our industry can learn lessons from countries such as Chile who have substantially out-performed us in terms of exports. Low value logs have become an ever increasing proportion of our total exports. Approximately 30% of our total forestry export value is in logs whereas Chile exports less than 1%.

On a more positive note, it is heartening to see that there is progress being made with a WoodCo led timber industry strategy - milestones and timelines have been agreed upon by participants and this can only be of benefit to the industry as a whole.

The Executive Council meetings continue to be a positive forum for robust debate about the industry and the way forward for our members. I would like to take this opportunity to extend my thanks to the Council members for the time and effort they give so willingly to participate in these meetings. Thanks also to the co-opted members for their invaluable assistance and guidance.

I would like to welcome and acknowledge the companies who have joined the PMA in the past twelve months. The strength of our organisation lies not only in numbers, but in the knowledge and ideas that you and our existing members bring to the table and provides us with a united and cohesive approach to confront the challenges that we all face within our industry. I would encourage you to contact any executive member to discuss issues or ideas that you may have which effect you directly or the industry as a whole.

New member companies who have joined Pine Manufacturers during the year:-

Full Members: Frontier Solidwood Homes Ltd; XLam Ltd.

Associate Members: Chemcolour Industrial Chemicals Ltd; Ministry of Agriculture and Forestry; Solid Wood Innovations; TimberSmart Ltd;

Finally on behalf of all members, I wish to extend our thanks to Lawrie and Debbie for their outstanding efforts in managing the PMA's activities and finances throughout yet another year.

John Lemm

PRESIDENT

EXECUTIVE'S REPORT

Pine Manufacturers has continued to represent the secondary wood processing and manufacturing sector in appropriate industry forums throughout the year.

In particular the Executive Office has continued to work hard on collaborative projects, both within the secondary processing sector, as well as at a pan industry level. The Executive Office is convinced that stronger collaboration across the entire sector, from forest growers to end users, is the only way to develop a strong and single voice representing the entire industry.

The year was again a tough year, for most tougher than last year, exacerbated by the malaise in the building and construction industry. Building starts in Australasia continue to flat line at 30 year lows, which has put immense pressure on secondary processors.

Ironically, against this background Asian log and lumber markets for New Zealand producers have been particularly strong, with all-time highs both in volume and price, driven largely by a voracious China. At June end 2011; demand for logs and lumber have dropped, largely influenced by strong exports from USA and Canada to China.

Throughout the year all NZ exporters have had to contend with battling an increasingly strong NZ dollar when selling into Pacific Rim markets.

ACTIVITIES

NETWORKING & MEMBER SERVICES

➤ EXECUTIVE COUNCIL

Pine Manufacturers Executive Council met on four occasions during the year in Auckland and Rotorua.

➤ WEBSITE

The site (www.pine.net.nz) is managed in-house, meaning updates are made instantly and at no cost to **Pine Manufacturers**. The website has been re-designed during the year.

➤ NEWSLETTER

The six-weekly e-newsletter continues to keep members informed of industry activities, as well as note-worthy events and economies in member's key target markets.

➤ TRADE MAGAZINES

Pine Manufacturers procures bulk copies and supplies the Timber Design, Australasia Magazine to Executive Council members.

JOINT INDUSTRY ACTIVITY

CONFERENCES

➤ FORESTWOOD CONFERENCE 2010

Pine Manufacturers, along with Forest Industry Contractors Association, Forest Owners Association and Wood Processors Association, ran an inaugural joint industry conference under the aegis of

Woodco.

With over 400 delegates and a conference opened by the Prime Minister, if the feedback was anything to go by then this event was a raging success.

✦ PMA/WPA JOINT CONFERENCE

Preceding ForestWood 2010, Pine Manufacturers and Wood Processors Associations' had a first time ever joint conference.

This was also considered a success, to the degree that another joint conference took place in Nelson the following year (July, 2011).

WOODCO - NZ WOOD

✦ WOOD COUNCIL OF NZ (WOODCO)

Woodco is an "association of associations" and is regarded by Government as the forest and wood products peak industry body. **Pine Manufacturers** is represented at Woodco Board level by Owen Griffiths (Past President) and Lawrie Halkett (CEO).

The major focus this year has been the drive by Woodco to drill down and come up with a set of action steps that will bring its Strategic Plan to life. In order to ensure all issues would be addressed a survey across the value chain, including service providers and Government agencies culminated in a comprehensive report "Building a Stronger Future for Wood; Forest Industry Strategic Study", June 2011.

By March next year the Woodco intention, through a Project Team and Governance Group, will have an Action Plan to present to industry in time for the ForestWood 2012 Conference.

✦ NZ WOOD

In the Woodco Strategic Study, "Building a Stronger Future for Wood", a cross section of industry players strongly supported the domestic promotion of wood, as well as the NZ Wood generic promotional programme. The big change during the year was to bring the management of NZ Wood under the one roof; Woodco.

In August 2011 Woodco appointed its first CEO, Jane Arnott. In the lead up to Arnott's appointment NZ Wood hasn't missed opportunities, with the highlight being a NZ Wood Design Advisory Centre team led by NZ Wood's Timber Design Director Jason Guiver, winning the supreme award in a 48 hour design competition for the earthquake rebuild of the Christchurch CBD.

✦ TRADE ACCESS GROUP (TAG)

The major focus this year has been around providing input to MFAT on work to effect a free trade agreement with India. **Pine Manufacturers** also provided a report to MFAT around the implications of the Indian Building Code on New Zealand imported product.

✦ STANDARDS (TIAG)

The major outcome this year for **Pine Manufacturers** was the completion of the review on AS/NZS 4364; 'Timber Bond Performance of Structural Adhesives'. **Pine Manufacturers** has also made submissions to the Department of Labour on Workplace Exposure Standards and to the Australian Government on its draft legislation guarding against the importation of illegal harvesting and processed wood products, both of which have the potential to add to compliance costs for New

Zealand wood processors and manufacturers.

Pine Manufacturers has also pulled together all interested parties wanting to champion the review and update of NZ 3603; Timber Structures Standard, 1993 and the request is now resting with Department of Building and Housing.

✦ LIFE CYCLE ANALYSIS NZ (LCANZ)

Pine Manufacturers have become a member of LCANZ in order to ensure that wood and wood products are given due consideration as LCANZ moves towards establishing a Life Cycle Inventory (LCI) database for the New Zealand building and construction industry.

Pine Manufacturers has been active in bringing together like minded people (WPA, Scion, BRANZ, MAF), so that the ramifications of LCI and Life Cycle Assessment are well understood by all.

✦ MINISTRY OF AGRICULTURE AND FORESTRY (MAF)

MAF is key to developing policy that will impact in the forest and wood products industry, and to this end our sector is well connected through Stuart Anderson, MAF Rotorua being on our Executive Council. Also at the last Executive Council meeting, MAF's new Director General, Wayne McNee, attended and exchanged ideas with Council on issues confronting the industry.

The endeavours by **Pine Manufacturers** to refine the collection of secondary processed products statistics via shipping documentation cannot be done without a major review of the HS Coding system used by MAF to group collective statistics.

✦ NEW ZEALAND TRADE AND ENTERPRISE (NZE&E)

Pine Manufacturers have received support throughout the year from NZE&E for the Pinenz project. Ravi Nagasamy, Ian Lockie and the in-market NZE&E team have also been extremely helpful, assisting with work around possible entry of timber products and building solutions to India.

AWARDS

2010 NZ WOOD TIMBER DESIGN AWARDS (of which Pine Manufacturers is a sponsor)

Winners of the 2010 NZ WOOD Timber Design Awards were announced at a function held in at Te Papa in Wellington on the 11th October.

Winner of the People's Choice Award: (Pictured left)

Sales Pavilion for Frasers Papamoa Ltd.



Designed to clients who wanted a building that was not only stunning and elegant looking but also had the ability to adapt to a different use, once the development is finished. The Pavilion is quite a precise piece of architecture with two distinctly different shapes: A rectangular box comprising all services and circulation areas and a sail shaped glassbox, primarily acting as a large open space, which can be transformed to whatever function may be required in the future. To tie the two parts together, the pavilion has been fitted with vertical cedar wings as well as moveable louvers.

**Waitomo Caves Visitors' Centre - Winner:
Commercial Architectural Excellence &
Commercial Engineering (Pictured right)**

Sheltered below an innovative woven timber canopy, new amenities for visitors to the Waitomo Caves includes tourist gathering areas, 250-seat dining, retail, seminar and exhibition areas as well as a café and theatre for Tourism Holdings. The structure of the centre is internationally significant. The geometry of the canopy was described by the surface of a toroid, and Radiata pine LVL (laminated veneer lumber) was prefabricated into curved (and twisted) ribs in Hunter's factory in Nelson. These timber I-beams were joined, overlapped in layers, then screwed together as they were assembled on site by Hawkins Construction.



**The Supreme Court, Commercial Architectural
(Pictured left)Excellence: Winner: Interior Fit Out
(Wellington)**

Timber is used as a dominant element in the design of the Supreme Court for its warmth and resilience in joinery, panelling and shelving. The use of Silver Beech in both veneer and solid form throughout the building creates continuity and unity through the various spaces. The panelling of the courtroom's elliptical volume references the spiral diamond patterns of the native Kauri cone, which in turn affords the freedom to articulate panels in triangles and diamonds, and at different scales and tilts. The solid and veneer panels form both smooth and articulated surfaces, each designed for a specific acoustic function.

**Beach Residence – Scott's Landing – Winner:
Residential Architectural Excellence (Pictured right)**

This beach house is sited in a coastal protection zone on the Te Kapa inlet of the Mahurangi harbour. Falling gently east to a tidal sandy shoreline, it is surrounded by native bush and trees. The timbers used in the design of the house provide a warm, inviting internal environment and a low-maintenance, rustic external look. Carefully selected timbers provide quality and are fixed to display their natural colours and textures, and provide rich contrast and character.



RESEARCH AND DEVELOPMENT

Pine Manufacturers places a strong emphasis on science innovation, and is either directly involved as an investor and/or strongly encourages individual member companies to engage.

✦ STIC

Pine Manufacturers is a financial shareholder in STIC, with funding from Hunter Laminates Nelson, McIntosh Timber Laminates, Timberbond Industries, Arch Wood Protection, Osmose, Tim Tech Chemicals, Dynea, Henkel and Momentive Specialty Chemicals. **Pine Manufacturers** is represented

on the STIC Board (PMA CEO), while Chris Randall (Hunters), Stu McCallum (Timberbond) and Owen Griffiths (McIntosh's) participate in the Commercialisation Committee.

Already eight buildings have been used around STIC's post tensioned and / or quick connect patented technologies and include; Arts and Media Studies building at NMIT Nelson, Museum of Transport and Technology (Auckland), BRANZ building (Wellington), Carterton Events Centre (Carterton), College of Creative Arts (Massey University Wellington), Tumu ITM (Napier), Seifrieds Vineyards (Nelson) and Wairariki Institute of Technology (Waipa Centre, Rotorua).

✦ **SOLID WOOD INITIATIVE (SWI)**

Pine Manufacturers is a strong supporter of this research consortium, with over half the shareholders being **Pine Manufacturers** members. All **Pine Manufacturers** shareholders are enthusiastic about the value they are receiving from SWI.

✦ **WOOD PROCESSING AND MANUFACTURING R & D PLAN**

Both the Wood Processors Association and Pine Manufacturers have developed a Research, Science and Technology Plan, which is being used to connect with and inform key research providers.

Good engagement has been made with Scion, who is beginning to assimilate industry needs in with their thinking and direction.

✦ **SCION**

The Crown Research Institute review process has led to a strong re-engagement with New Zealand processors, manufacturers and exporters. Scion's Statement of Core Purpose and their follow on Statement of Corporate Intent, have in particular, set a solid platform for constructive interaction with industry.

MARKET DEVELOPMENT & PROMOTION

✦ **STRATALAM - A Pine Manufacturers collaborative project**



This project with a brand signage, brochure, website, free standing banners, trade magazine advertising, portal beam calculator and Glulam Span Tables, are all now rolling out to the specifier community. The focus of the ten-member consortia is now to produce a set of interactive span tables.

✦ **SOLID WOOD BUILDINGS INITIATIVE - A Pine Manufacturers collaborative project**



Four **Pine Manufacturers** member companies; Lockwood Group Ltd, Intalok NZ, Fraemohs Industries NZ Ltd and Organic Buildings Ltd, are supporting this project. Marketing collateral development has included a website, brochures, six Technical Sheets, roll up banners, bumper stickers, trade magazine advertising and a DVD, fronted by a well known NZ actor and comedian. For further

information visit: www.solidwood.co.nz

➤ **FINGER JOINT PROMOTION IN AUSTRALIA - Pine Manufacturers collaborative project**



This promotion involving nine **Pine Manufacturers** members incorporates adherence to a quality brand mark, managed byASUREQuality who is in turn accredited by JAS-ANZ. Activities undertaken by Pinenz™ include; registration of mark, establishment of a website, informational brochure, four hero (Aussie builders) stories, e-newsletters, participation in builders nights, builders breakfast and a trade show, trade magazine adverts and sample kits.

For further information visit: www.pinenz.com



Pictured to the left are: Robin Hogg, Bruce Barclay, who are members of the PINENZ Group and Gary Davoren of Tasman KB Sydney, exhibiting at the DesignBUILD Expo in Sydney in May 2011.

➤ **INDIA - A Pine Manufacturers collaborative project**

This project first began in early 2010 and since that time NZT&E and **Pine Manufacturers** have undertaken extensive research on the building and construction sector in India.

This culminated in an inward mission, where five NZ companies visited some 50 Indian companies, including window and door manufacturers, building companies, architects, engineers and developers.

Currently seven member companies are considering a proposal, supported by matching NZT&E funding, to collaboratively enter and promote New Zealand origin product and solutions into the Indian market.

➤ **Prefab NZ**

Pine Manufacturers has been an inaugural member in establishing Prefab NZ.

This organisation is currently establishing itself as a voice for pre-built construction in New Zealand.

Through **Pine Manufacturers** the SolidWood Building Group is represented at board level.

For further information visit: www.prefabnz.com

EXECUTIVE COUNCIL 2010- 2011

President:	John Lemm	Intalok
Immediate Past President:	Tony Clifford	Pacific Wood Products Ltd
Vice President:	Tom Boon	Taranakipine
	Owen Griffiths	McIntosh Timber Laminates Ltd

Executive Council Members:

Nigel Wilshier	OTC Timber Ltd
Charles Black	Goodwood Industries Ltd
Jeff Parker	Lockwood Group
Gavin Levesque	Moore Levesque & Morriss Ltd
Conrad Whittle	Southern Cross Forest Products Ltd
Stuart McCallum	Timberbond Industries (NZ) Ltd
Bryant Gray	Tenon Ltd

Co-opted	Bernie Dawson	Scion
	Stuart Anderson	MAF
	Ravi Nagasamy	NZT&E
	Ian Boyd	FITEC

Chief Executive: Lawrie Halkett

Executive Assistant: Debbie Fergie

ACKNOWLEDGEMENT



As the annual report suggests, the Executive Office of **Pine Manufacturers** has been stretched across a wide range of activities. In an endeavor to zero in on the most important tasks, much of the energy of the organisation's Executive Council has been focused on determining a strategic focus going forward.

This work has been condensed into a summarised Action Plan, which not only will guide future activity, but will contribute to pan-industry thinking, as Woodco works on developing a pan-industry Action Plan.

On behalf of the Executive team I thank President John Lemm and the Executive Council for their time and contribution, ensuring that as the secondary processing sector we have a strong voice that advocated for its members.

Lawrie Halkett, Chief Executive & Debbie Fergie, Executive Assistant



Building Products produced by members of Pine Manufacturers Association

Interior (untreated):

- skirting and architraves (mouldings),
- window, door and stair mouldings,
- window reveals,
- door jambs,
- wall paneling,
- stair components
- flooring
- clear boards,
- edge glued panels
- furniture

Exterior (treated)

- weatherboards,
- fascia
- handrails,
- balustrades,
- stairs,
- door jambs,
- posts
- beams (window, door, verandah and pagoda lintels
- decking / pergola / landscaping
- furniture

Glulam

- Glulam - large span as lintels, curved beams / rafters, columns / portal frames, curved shapes / domes, arches, structural flooring

Housing

- Prefabricated solid wood homes

Non - residential

- wood solutions; fabricated LVL and Glulam components

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