



Submission to:

Standards New Zealand,
Ministry of Business, Innovation & Employment,
Email: enquiries@standards.govt.nz

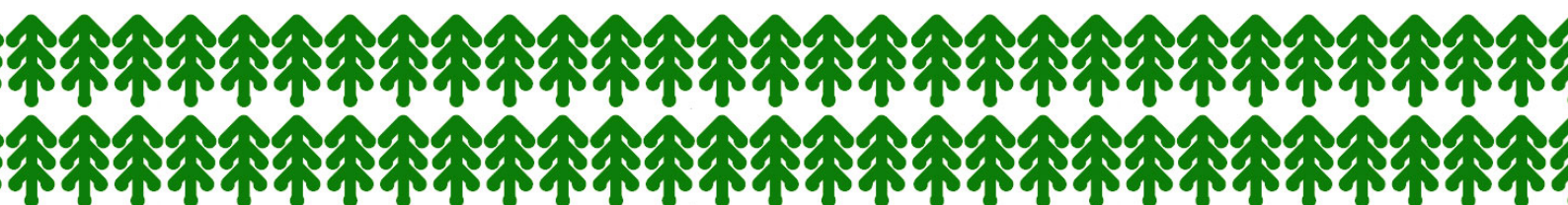
P3640 Committee: DZ 3640: Preservation of timber and wood-based products

P3602 Committee: Draft revision to NZS 3602:2003: Timber and wood-based products for use in buildings

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Introduction

1. The New Zealand Forest Owners Association Incorporated (FOA) is the representative membership body for the commercial plantation forest growing industry. FOA members are responsible for the management of approximately 1.2 million hectares of New Zealand's plantation forests and more than 80% of the annual harvest.
2. Nearly a quarter of New Zealand's harvest is utilised in New Zealand – approximately 8 million cubic metres round wood equivalent. A significant proportion is manufactured into material used in buildings. Framing lumber, plywood, LVL and other manufactured wood products are a major market for wood products from trees grown by our members. These products must meet consumer expectations of in-service durability or the timber industry could be severely damaged.
3. FOA is submitting on behalf of our national membership.

Submission

4. Determining the ability of timber to perform under the New Zealand climate and building environment is an extremely complex and challenging process. FOA is very concerned about the continuing brand damage to NZ wood that followed earlier government sanctioned decisions to allow the use of untreated kiln dried radiata pine in high-risk situations in domestic and commercial construction in New Zealand. We have appended extracts from an article by *Easton (2010)* that describes the background to, and consequences of, those earlier government decisions.
5. FOA is concerned that specifiers and consumers of sawn lumber, both domestically and internationally, must have full confidence in the current Standards NZ process. FOA is concerned that the current confidential process employed by Standards NZ prevents stakeholders from accessing, interrogating and understanding the decision-making process leading to the promulgation of the two draft Standards currently open for consultation. This makes it impossible to make a substantive submission.

6. FOA believes the loss of the former (Rotorua-based) NZ Timber Preservation Authority in the mid-1980s was a retrograde step (refer www.nztpc.co.nz/about.php). FOA believes that an independent stand-alone government agency tasked with a full range of issues around timber preservation and in-service use, including quality assurance and spot audits for treated timber is required to maintain confidence in New Zealand wood. The agency must be free from commercial bias and have access to all relevant reports and research, similar to the system that was in place before 1985.



David Rhodes
Chief Executive

Appendix One

The following extract sets the scene for the caution we consider needs to be expressed in setting these standards.

Regulatory Lessons from the Leaky Home Experience

This entry was posted in Regulation & Taxation on 16th February 2010 by Brian Easton. *Policy Quarterly*, Vol 6, No 2, May 2010., based on a paper presented to a seminar on 16 February, 2010.

<https://www.eastonbh.ac.nz/2010/02/social-security-and-acc-2/>

Extract:

From about the 1970s the rate of technological innovation in house construction began to accelerate. Probably at some point it became evident that 'learning on the job' would no longer be sufficient to ensure that the new technologies could be used effectively, although it is not clear what happened instead. By 1979 the innovation challenge was sufficiently serious to be mentioned in public fora.

Various institutions had been developed to protect new house purchasers, including the Building Performance Guarantee Corporation. This was decommissioned in 1987. By doing this the government may have markedly reduced the Crown's financial exposure to risk from poor quality building and, with hindsight, the enormous LBS bill. Had the Building Performance Guarantee Corporation existed in the 1990s, it might have identified the problem earlier or even encouraged better standards of building. (The parallel here is the Earthquake and War Damage Corporation (now the Earthquake Commission), which has insufficient funds to deal with a major earthquake but deals expeditiously with the consequences of smaller ones, while pursuing an active programme of prevention.)

Another institution disestablished in the late 1980s was the Ministry of Works and Development. This decision is usually seen as reflecting the downgrading of engineering relative to accounting in the priorities of policy makers. The extent to which it had an impact on the housing construction sector is unclear, so it is uncertain whether the Leaky buildings Syndrome (LBS) can be grouped with the Cave Creek tragedy and the Auckland CBD blackout. However, the Ministry of Works and Development's disestablishment symbolises the fact that engineering standards became less significant in public policy thinking.

Some of the functions of the ministry, including those involving housing construction, were transferred to the Department of Internal Affairs which established a Building Industries Commission [and ultimately MoBIE], whose 1990 report is discussed below.

Other events of the 1980s also contributed to the concatenation which led to the LBS. One was the reform of local government, which must have led to upheaval in many planning approval offices and among building inspectors. There is a view that funding was reduced, so there was poorer supervision. A second was the labour market upheaval in the late 1980s, as many workers were laid off, which may have

resulted in many under-qualified workers becoming self-employed builders. A third was the reduction in apprenticeship training.

Leaky buildings: the 1990s

In January 1990 the Department of Internal Affairs' Building Industry Commission reported. Its general recommendations were incorporated in a bill introduced into Parliament by the Labour government later in the year, to be passed under the National government, with bipartisan agreement, as the Building Industry Act 1991. Instructively for this story, the report's proposal to reintroduce something like the recently disestablished Building Performance Guarantee Corporation was not proceeded with.

The system of regulating dwelling construction was changed dramatically through a building code which set performance criteria to be achieved rather than prescribing the manner in which buildings were to be constructed. For instance, builders were told just that the structure must last 50 years, the cladding 15 years, and that the walls and roofs must be impermeable to water. The belief was that the old regime had stifled the use of new materials, design and construction, thereby discouraging innovation and raising building costs. Under the new regime new methods would be introduced more easily. The minister in charge of the bill, Graham Lee, who was once a builder, said its most important element was the development of private building inspectors. (If only that had been correct.)

The act came into force in 1992 with the introduction of the Building Code. There is a view that the code was the 'cause' of LBS. However, as the preceding section indicates, there were numerous factors coming together which led to the failure

The LBS appears to be associated with at least two innovations which, no doubt, were cost-saving at the time. The first was the use of a 'monolithic cladding' which has proved not to be watertight unless it was used strictly according to specification. The second was the use of untreated timber, without the realisation that treating for borer also better sealed the wood from water. Additionally, some house designers cut back water-protecting features such as eaves.

The problems of construction may not be confined to leaky homes. They extend to apartments and may involve commercial buildings. The collapse of the apprenticeship system and the operation of some not-very-qualified builders has meant that the quality of the workmanship has not always been high. The use of other new materials, often imported – following the ending of import controls – means that poor and unsustainable construction may plague other elements of the housing stock in a manner similar to leaky houses.

Ironically, the LBS should not have been as much of a surprise as it was. The Canadians experienced it too, but a little earlier. I have heard it claimed that there were people who knew of the construction failures long before they were a public issue, but their response was inadequate. If that is true, then a further regulatory failure was that there was a political environment in which individuals were discouraged from speaking out.