

24 February 2017

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Dear Yasmin,

Building Performance Standards: Long-Term Funding Projection and Standards Programme.

The Wood Processors and Manufacturer's Association of New Zealand (WPMA) welcomes the opportunity to comment on the Long-Term Funding Projection and Standards Programme 2016. The WPMA advocates on behalf of a broad membership spanning the whole of New Zealand's wood supply chain *post* forest gate. WPMA represents one of New Zealand's biggest manufacturing sectors, employing over 20,500 people directly in the regions and is the third biggest export sector currently valued at NZ\$2.5 billion per annum.

WPMA members handle in excess of 85% of the wood processed in New Zealand. We produce pulp, paper, sawn lumber, panels, laminated products, mouldings, bio chemical and bio composites for export and for the domestic market. Our members are major suppliers of products to the NZ and Australian construction sectors and thus we have a strong interest in the state of the construction standards' portfolio in both countries.

In 2012 the (then) Wood Processors Association of New Zealand presented the results of a survey of its members on the subject of standards to MED. The survey revealed that standards are being used in the innovation process among member companies to drive process improvements; reduce input costs, prove that products are safe and fit for purpose; provide ideas for new products and protect against technical trade barriers. Standards were reported as being valuable in terms of ensuring market access, an ongoing licence to operate, providing performance benchmarks/tests so companies do not have to "reinvent the wheel", providing confidence to the market and ensuring easy approval of the product by building consent authorities. Each of the member companies interviewed reported heavy involvement in the national Standards' setting process. WPMA is therefore pleased to see, after a number of years of deliberation by Government, that the Building Levy is now to provide a sustained funding base for the maintenance of the technical standards portfolio in New Zealand alongside the extensive technical contributions already made by industry.

Q1 Do you think that MBIE needs to consider additional Standards for the priority list?

An additional standard to consider is that of structure and durability of specialty timbers grown in and imported to NZ. This Standard should dovetail with NZS 3602. The lack of such a Standard causes problems for specifications in many other Standards' and Building Code clauses.

Q2 Do you know of any Standards that have information gaps or need research in order to be developed?

WPMA highlights here: NZS1748 Timber – Stress Grading for Structural Purposes and NZS3602 Timber and wood-based products in use in building.

In addition, we would like to draw MBIE's attention to all the (secondary) Standards referenced in the primary Standards (and/or referenced directly by NZ Building Code. These need to be regularly checked to ensure validity and reliability as some of these Standards are very old and may not have been reviewed for a considerable time. The complex and interdependent "ecosystem" in which primary and secondary Standards are depicted in Appendices 1 and 2.

There may be instances where the effective review of a primary standard will require an overhaul of a much larger part of the ecosystem and this larger scale review needs to be factored into the total cost and estimate of requirement of industry technical input.

Q3 Do you have any comments on the sequencing of Standards in the Standards programme?

The path from prioritising to sequencing is not clear. Will Standards which currently have a low priority score need to increase their score in order to be revised? Or will the timeline stay much as is shown and all prioritised Standards will be revised in due course?

We note that four important timber standards are already ranked as highest priority (9 &10) by MBIE and this is where we believe they should be due to their central role in the NZ Building Code. We appreciate that three other key standards are ranked highly (7 & 8) and acknowledge that these also deserve this high level of priority score.

Q4 Do you think that some Standards identified could be co-funded by BSP and other parties?

Industry already makes a considerable (in-kind) investment in Standards in the form of populating Technical Committees both in NZ and overseas. That said, some Amendments are currently industry co-funded and a good example of this is in the timber preservation area. An example of a new Standard which could be co-funded by would be one for Natural Durability of Timber where specialty-species forest growers might be the co-funding partner.

Q5 Which Standard committees would you be interested in participating on, on a voluntary basis?

WPMA would like to partake in all Standards pertaining to timber, engineered wood products and use of these in buildings and infrastructure.

Q6 Any other comments?

In the listing of main criteria against which the Standards are scored we note that MBIE highlights the need to prioritise Standards that, “*address risks which are associated with significant economic cost or with damage/harm so great it would affect the building and the wider New Zealand economy.....*”. As a major export sector, WPMA is aware that Standards can act as significant non-tariff barriers to trade especially when national Standards do not keep pace with the demands and expectations of international markets (Asian Trade Centre, 2016).

A report in March 2016 published by the Wood Council of New Zealand documents how non-tariff barriers (including technical Standards) are now the biggest impediment to the New Zealand wood export sector. NZIER (2016) estimates that non-tariff barriers are now costing (all) New Zealand exporters around US\$5.9 billion per year.

A regular review programme for NZ Standards must help reduce these barriers as they will be blocking government export growth targets and stymieing regional economic development efforts. The industry already works closely with MBIE to achieve harmonisation with Australia. WPMA now urges MBIE to look further afield to partner industry into new and emerging markets. We strongly recommend therefore that the MBIE Standards’ review schedule looks, as much as possible, to facilitate New Zealand’s export trade, working closely with industry and government’s export agencies to identify market access opportunities as they arise.

Thank you for the opportunity to provide comment.

Yours sincerely



Dr Jon Tanner
Chief Executive

Appendix 1. Primary Standards and Background Standards referenced in B1.

Standards cited by B1 are identified by the heavy arrows between B1 and those Standards. Standards with a blue label have already been identified by MBIE as strategically important.



