



16

May 2017

# TIMBER LINK<sup>®</sup>

AUSTRALIA | NEW ZEALAND

Company & Industry News

## Why is LOSP the best outdoor timber treatment?

Timberlink champions Timber.

New Zealand housing construction remains strong.

Timber framing growing in Western Australia.

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Timberlink Australia  
Telephone 1800 088 135  
[www.timberlinkaustralia.com.au](http://www.timberlinkaustralia.com.au)

Timberlink New Zealand  
Telephone + 64 3 520 6240  
[www.timberlinknz.co.nz](http://www.timberlinknz.co.nz)

# Timberlink Champions Timber

When the GBCA (Green Building Council of Australia) asked the industry to provide feedback on its Structural Engineered Timber consultation paper, Timberlink's General Manager Technical and Environment, Dr Trevor Innes, provided valuable feedback from the business. Timberlink was also instrumental in coordinating and driving an all-of-industry submission via our national representative body.

It is very encouraging that the GBCA, as a key promotor of sustainable buildings, particularly through the Green Star certification scheme, is proposing a prescriptive pathway specifically for rewarding the use of timber in buildings. This will make it much simpler for building designers and developers to obtain Green Star points for the use of structural timber in buildings as, currently, the only way to do this is via a full life-cycle analysis (LCA) which is a relatively complex and expensive process. Timber is a significant net negative contributor to greenhouse gases so as well as benefits such as more rapid construction and lower cost, well-designed timber buildings have a significantly better sustainability profile than those depending on other materials for their structure.

This is an example of one of the less visible ways Timberlink works hard to support our customers and timber markets generally; ensuring that the benefits of timber construction are adequately recognised throughout the building industry. Over time this will not only lead to more timber used in construction, supporting all our businesses; but will also improve the sustainability of our cities, lessening the impacts of global warming on future generations.

This consultation paper is one of eight papers relating to proposed updates to the Green Star- Design & As Built Rating Tool, and proposes that the use of structural engineered timber be rewarded in Green Star projects through the development of a Prescriptive Pathway within the Life Cycle Impacts credit in Green Star – Design & As Built V1.2. Timberlink sees this as a positive move for the timber industry overall, as we also commented on a number of specific recommendations included in the proposal.

## Structural Engineered Timber

The proposed pathway is applicable to “structural engineered timber” only, rather than to all structural timber. All structural timber, including solid milled and engineered timber is graded to meet Australian Standards for use under the National Construction Code (NCC), and the environmental benefits that are realised through the use of timber are common across all structural timber products. With absolutely no logical reason to include only engineered structural timber, we have recommended that the proposed pathway be changed to include all structural timber.

## Timber buildings must be eligible for more Green Star points than concrete or steel buildings

Our review suggests that under the proposal, buildings with structures of predominantly concrete, steel and timber receive the same number of credits within the Life Cycle Impacts section of the Materials Category under the

prescriptive pathways. Full Life Cycle Analyses invariably show that predominantly timber buildings have a lower environmental impact than predominantly concrete or steel alternatives. There are a number of clear environmental advantages to using timber: less embodied energy impact, increased use of prefabrication resulting in construction efficiencies, recyclable, and the use of a renewable, carbon storing source material. It, therefore, does not make sense for the three materials to be treated in the same way and we have recommended ways in which the proposal should be modified to increase the number of credits available for timber over concrete or steel.

## Locally grown and manufactured material

The paper proposes that a minimum of 50% of the timber must be locally produced and sourced. We have recommended that this be increased to 75% to support local industry and to reduce the environmental impacts that may arise from the movement of materials over large distances.

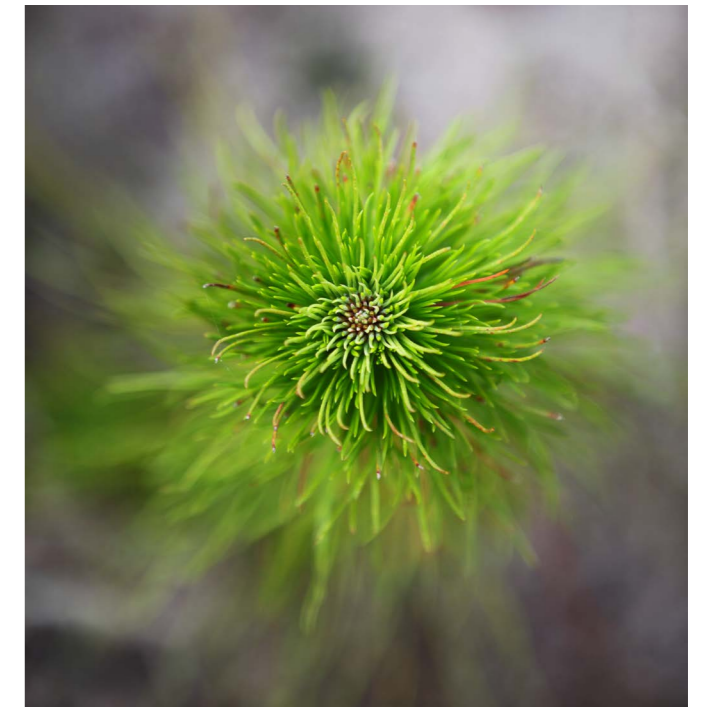
## Chain of Custody Certification

Timberlink supports the use of sustainable, legally sourced materials and the work of timber certification bodies (AFS/PEFC or FSC®) in promoting this. However, the GBCA proposal that formal Chain of Custody documentation is required could be problematic as typically only manufacturers and wholesalers, and not fabricators or builders, carry Chain of Custody certification. Timberlink has suggested that alternative evidence, such as certification branding on timber in the structure, be included as proof of legal and responsible materials.

Timberlink's submission to the GBCA contains more detailed information than highlighted here. If you are interested to know more, please email: [Trevor.Innes@timberlinkaustralia.com.au](mailto:Trevor.Innes@timberlinkaustralia.com.au).



Dr Trevor Innes  
Timberlink's General Manager  
Technical and Environment



## New Forests Grows its investment in Australia and New Zealand

On November 26th 2016, New Forests announced the establishment of the Australia New Zealand Forest Fund 3 (ANZFF3), its third investment fund dedicated to Australian and New Zealand forestry investment. With over \$A660 million in capital commitments, the fund will invest in both hardwood and softwood plantation assets and be managed to reflect New Forests' commitment to sustainable forest management, third-party certification and responsible investment.

New Forests currently manages a range of forestry investments in Australia and New Zealand worth over A\$3.1 billion. These investments include a number of major plantations as well as the Australian and New Zealand Timberlink businesses.

This new investment fund reflects New Forest's commitment to the long-term future of the Australian and New Zealand forestry industry and ensures that Timberlink will have ongoing, secure access to quality plantation pine.

For more information about New Forests please visit: [www.newforests.com.au](http://www.newforests.com.au)



# Why is LOSP the best outdoor timber treatment?

Light Organic Solvent Preservative (LOSP) has existed in one form or another for over one hundred years. First used in Denmark in 1912, it has undergone a number of significant developments and improvements to become one of the world's most effective treatments for outdoor timber. In Australia LOSP has been used since the 1960s, with the latest versions developed specifically for Australian conditions. LOSP is now Australia's preferred treatment for outdoor structural H3 pine, with more than 75% of the industry choosing LOSP over other treatments.

## What exactly is LOSP?

H3 LOSP is a proven and highly effective preservative treatment used to protect wood used in external, above ground applications. The active fungicidal and insecticidal ingredients, used to provide protection against insect and fungal attack are carried in organic solvents, such as white spirits. LOSP is most commonly applied in a high-pressure vacuum process.

LOSP treated timber does not require redrying after treatment,

unlike water-based treatments. With water-based treatments the active ingredients are carried in water, which increases the amount of moisture in the treated wood, making redrying necessary to ensure structural integrity.

## Why is LOSP so popular?

LOSP treated timber is dimensionally stable due to the fact that the moisture content of the treated board is unchanged from that of the pre-treated board. The solvents used do not penetrate the wood during the treatment process, and will simply evaporate over time. This results in a stable treated product that will maintain its pre-treated size, shape and grade.

Because the moisture content remains unchanged, LOSP treated timber, unlike water-based treated timber, does not require further redrying after treatment. Further redrying creates further stress in timber, leading to problems with boards bending down the track. Long term accelerated product trials and testing conducted over the last few decades provide assurance that long-term performance in Australian conditions can be warranted with a properly treated H3 LOSP structural product.

## Timberlink Low Odour LOSP

The only problem with LOSP is the petroleum like smell it imparts to the treated timber. While it will dissipate over time and is perfectly safe, the smell is nevertheless unpleasant for timber merchants' staff and is often detectable by customers in store. Timberlink, addressing this concern, was the first manufacturer in Australia to introduce Low Odour H3 LOSP treated timber (Timberlink Green) – providing the market with the preferred LOSP treated timber but without the unpleasant smell. The low odour product improvement was launched back in mid-2015, and coupled with a visual override grade to the machine graded product, has made it one of the preferred brands in outdoor treated structural timber in the Australian market.

There is always positive pressure to develop and launch the next steps in product improvement for our customers and end-users and Timberlink welcomes this to ensure that timber remains the preferred outdoor building product. However, for products such as ours, it is critical we continue to prove their long-term performance in application. Timberlink's assurance on this is that it meets Australian Standards AS1604.1 and therefore will meet



the expected durability requirements as prescribed in this Standard and as called up in the BCA in its reference to this Standard. There are other pathways for Quality Assurance and these have their place in product and market development for our industry. However, with the increasing focus on imported building materials and their ability to meet Australian Standards for building in Australia, Timberlink's Low Odour Green comes with the assurance of meeting Australian Standards.

Combined with this assurance and long term product performance trials, we are confident to stamp our Low Odour Timberlink Green as **Proven & Preferred**. In the coming months, you will see our product brand pink badging transition from NEW Low Odour to PROVEN & PREFERRED. This is our stamp of confidence in the product and will appear on product information, marketing collateral and product packaging.

Choose Low Odour Timberlink Green – it's proven and preferred.

LOSP is now Australia's preferred treatment for outdoor structural H3 pine, with more than 75% of the industry choosing LOSP over other treatments







## Timberlink's Latest Customer Survey

Timberlink conducted its 3<sup>rd</sup> annual customer survey in late 2016 with results once again showing improvement in our customers' experience with our people and business practices. Customer service was a highlight with customers rating our telephone customer service above their expectations. The level of service provided through account managers, delivery and product availability were also highly rated.

Additionally, customers' rating of how likely they are to recommend Timberlink improved by 50% compared to the 2015 survey and is at a positive level that reflects our customers' favourable view of our knowledge, skills, values and ease of doing business with.

Timberlink is always seeking to continually improve and our customers have told us that relationships, communication and product quality are very important to their overall satisfaction. Therefore, over the next 12 months we will explore ways to enhance the quality of our communication and strength of relationships with our customers. We will, of course, continue to strive to provide fit-for purpose, consistent product quality at all times.

We would like to sincerely thank all customers who devoted their time and effort to participate in this year's survey and welcome New Zealand customers who were invited to engage for the first time as part of Timberlink. We encourage all customers, whether or not randomly selected for the surveys, to provide regular and much valued feedback.

*Timberlink is always seeking to continually improve and our customers have told us that relationships, communication and product quality are very important.*

## Tasmanian Minister Visits Bell Bay

Timberlink's CEO, Mr. Ian Tyson, welcomed Tasmanian Minister Guy Barnett to Timberlink's Bell Bay sawmill on March 22nd, where they discussed the mill's next major investment. Continuous investment in technology, along with our well-trained and highly capable team, is what gives us the edge in manufacturing structural pine. It is also what supports our Tasmanian sawmill's ability to be competitive and makes it the only large scale, forest integrated plantation softwood sawmill in Tasmania.

Our upcoming Bell Bay investment is a 21st century technology installation of a Cant Grader, a grading tool that uses X-Ray and acoustic technology to provide minute detail of the cant (the middle, large part of the log remaining after removal of the sideboards), allowing for ideal sawing patterns every single time. The investment of approximately \$700,000 will be partly funded by a \$50,000 grant obtained from the Tasmania Jobs and Investment Fund, a joint federal and state government programme. Mr. Tyson, speaking

with Minister Barnett expressed the company's appreciation of the grant, saying that "Timberlink welcomes the financial support as well as the grant's stated aim of helping Tasmanian businesses through the generation of sustainable jobs and investment".

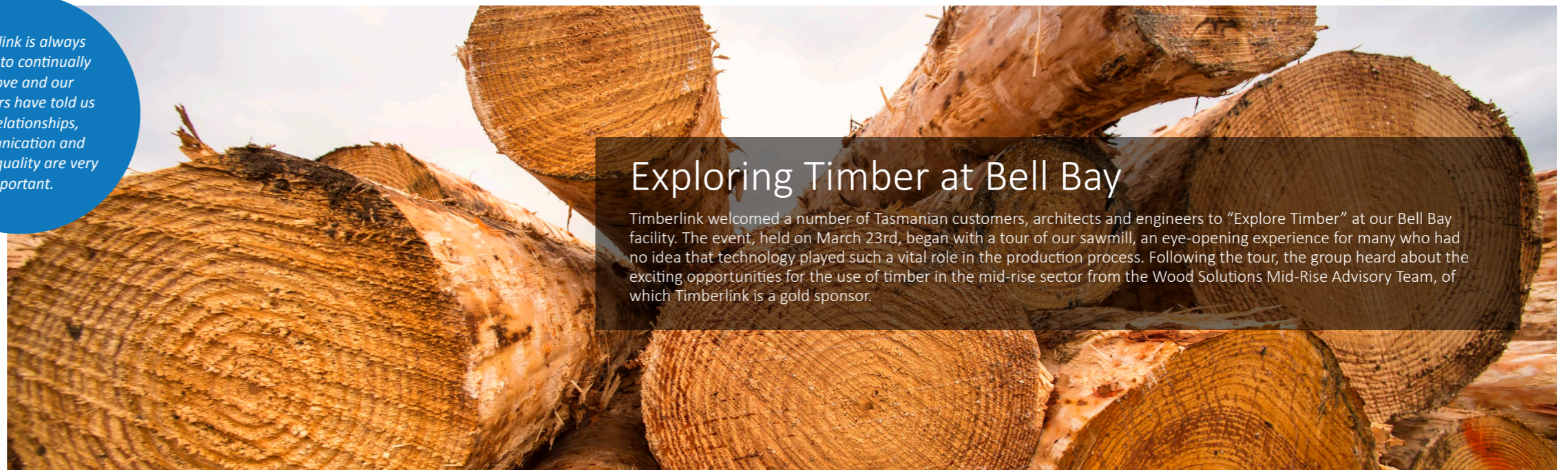
While at Bell Bay, Guy Barnett took the opportunity to tour the mill with James Anderson (Bell Bay Facility Manager at the time and now our General Manager Procurement) and Trevor Innes (GM Technical and Environment). James and Trevor highlighted just some of our technology, explaining how it is used by the mill's 190 employees to produce large volumes of engineered structural pine products.



*Timberlink CEO Ian Tyson (Left), with Tasmanian Minister Guy Barnett*

## Exploring Timber at Bell Bay

Timberlink welcomed a number of Tasmanian customers, architects and engineers to "Explore Timber" at our Bell Bay facility. The event, held on March 23rd, began with a tour of our sawmill, an eye-opening experience for many who had no idea that technology played such a vital role in the production process. Following the tour, the group heard about the exciting opportunities for the use of timber in the mid-rise sector from the Wood Solutions Mid-Rise Advisory Team, of which Timberlink is a gold sponsor.





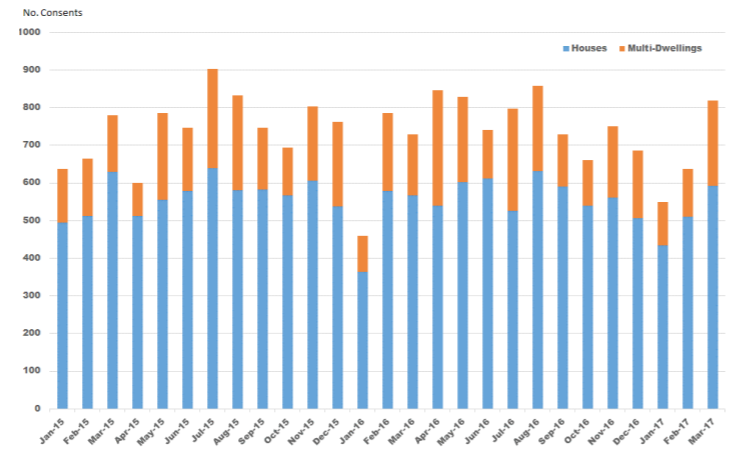
# New Zealand Housing Construction Remains Strong

The New Zealand economy grew by 3.1% in 2016 with construction being the industry sector with the highest level of growth at 10.5%. As employment grew by 5.8% and the mortgage rate still at a low 5.8% as at March 2017, albeit slightly higher than a year ago, the economic environment is healthy for the construction of new houses and therefore demand for framing timber. New housing is growing at 10% annually driven by the surge in New Zealand's population, which grew by 2.1% in the June 2016 fiscal year, that is an extra 100,000 residents approximately.

Net migration accounted for 70% of the increase, on a regional basis, 80% of the population increase occurred in the North Island and 50% in Auckland. The South Island experienced 2% growth in the population or around an extra 20,000 residents in the year to June 2016, this translated to 9,000 new dwellings being built. The latest housing consent data shows a slight 1% increase over the last 12 months to March 2017 for the South Island, this is in contrast to the North Island where the net migration driven population growth has seen new dwelling construction increase by 15% in the year ending March 2017.

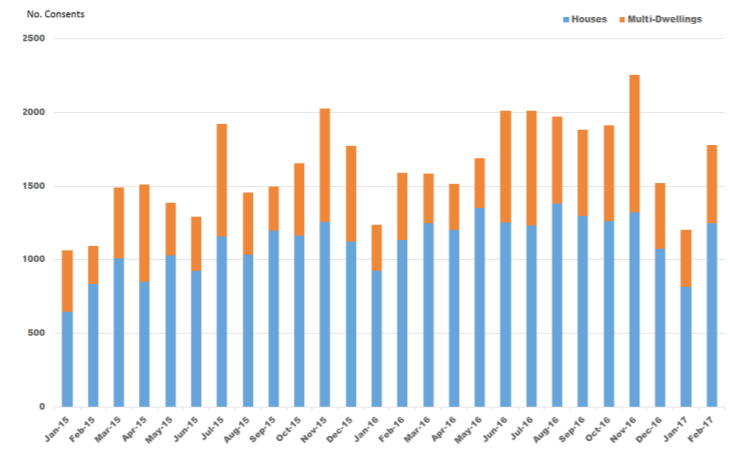
The divergence of the regional markets is reflected in house prices, where the relative slow demand in the South Island is reflected in Christchurch house prices which have risen by only 2.8% over the past 12 months. Meanwhile the strong demand levels combined with land supply constraints led to Auckland house prices increasing at an annual rate of 16% in 2016. The rate of house price increase has attracted investors to the extent that New Zealand's central bank has tightened lending restrictions to property investors with high loan-to-value ratios in order to minimize financial risk. In recent months Auckland house prices have receded, as a 0.19% increase in the floating first mortgage interest rate since January 2017 and the tighter loan restrictions appear to have taken affect. However, the expectation of higher interest rates due to domestic and international factors in addition to a projected slowdown in net migration are expected to lead to a decrease in housing consents in the latter part of 2017 and 2018.

House Building Consents by Dwelling Type- South Island, New Zealand



Source: NZ Statistics

House Building Consents by Dwelling Type- North Island, New Zealand

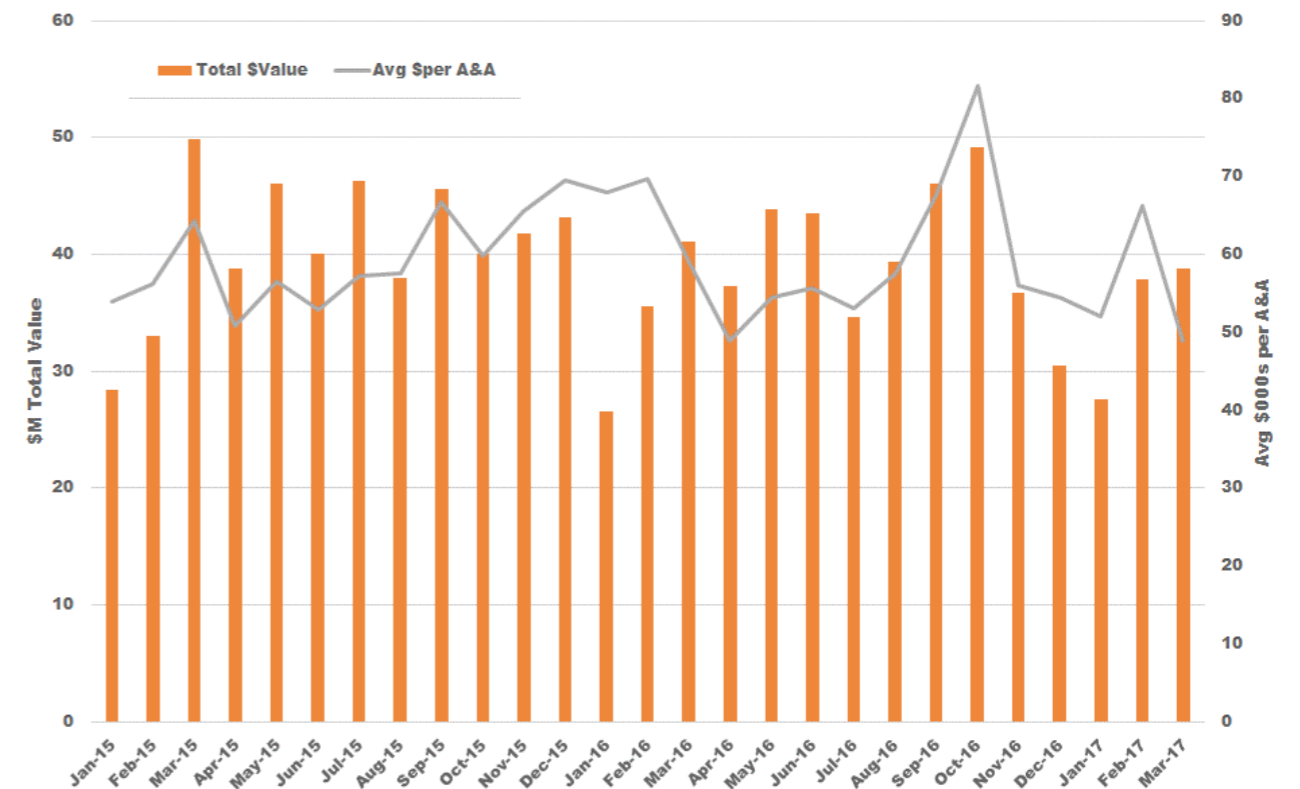


Source: NZ Statistics

Across New Zealand house and multi-dwelling construction has experienced similar levels of growth, with the ratio of house to multi-dwelling consents remaining at around 70:30 over the 12 months to March 2017. However, in the South Island houses account for 75% of consents whilst in the North Island houses are only 68% of consents.

Meanwhile expenditure on alterations and additions (A & A) in the South Island has fallen by 4% over the 12 months to March 2017 to \$0.47 billion, with an average project value of \$58,000. In contrast, in the North Island, where property prices are increasing rapidly, alterations and additions spend has increased by 15% for the year ending March 2017 to be \$1.4 billion with an average value per project of \$76,000. Spending on A & A includes building repairs, extensions and outdoor structures such as decking, pergolas, verandas and carports.

Value \$M of Alteration and Additional Building Expenditure- South Island, New Zealand



Source: NZ Statistics



Some of the benefits of using lightweight construction include: reduced construction time, improved thermal performance, increased internal floor space, lower costs and a positive environmental impact due to the use of timber.



"Skinsies" by Aveling Homes, Ellenbrook Perth  
Image courtesy of James Hardie.

## Timber nudges double brick tradition in WA

Unlike the rest of Australia, Western Australia (particularly the Perth metropolitan area) has traditionally favoured double-brick masonry construction systems for the building of detached housing and there has been limited use of timber wall and floor framing. However, things are changing and over the last two years, Perth home builders have begun to spend real time in their planning, design and construction practices to start using more lightweight timber framing.

Industry stakeholders, keen to better understand and drive this market conversion, appointed Timber Insight Pty Ltd (West Australian timber consultants) to manage a project promoting the opportunities for timber framed housing in the state. The project is being funded by Forest and Wood Products Australia (FWPA), Timberlink, Wespine, CSR Gyprock, ITW Australia (Pryda) and James Hardie.

### Why the change?

Timber Insight has confirmed that the increased interest in timber framing, while still small, is in fact very real and have forecast that timber framed detached houses will grow to comprise 10% of all detached house building in Perth by 2017/18 – well up on the 3% share reported for 2015/16. Several major Perth builders are forecasting that the share could further grow to 20% over the next five years.

Interest is being driven by a number of changing conditions in the West Australian market, predominantly housing affordability, driving a move to smaller lots and two story house building, using timber frames.

Housing affordability and zoning changes have resulted in the average size of house lots in Perth (where 80 % of the state's population reside) declining over the last fifteen years. Using lightweight timber framing for housing has the ability to increase the size of the house without increasing the overall footprint of the house itself. By reducing the external wall thickness, you can, for example, gain an additional 9-10m<sup>2</sup> of living space on a 250m<sup>2</sup> footprint.

Building costs have been increasing as the availability of 'A' class sites declines year on year, requiring new homes to be built on reactive clay sites that require substantial infill work to stabilise ground movement prior to commencing construction. Building

a typical double-brick house on such a site is substantially more expensive than building a lightweight timber framed home as the heavier building requires increased volumes of concrete or reinforcement in the concrete slab and footings. With light-weight framing costs already competitive with traditional double-brick construction, the cost savings on preparing a suitable site and footings are significant.

Perth builders are also concerned that the shortage of skilled bricklayers is causing construction delays and quality and maintenance issues and are looking to reduce reliance on brick construction.

### What are the benefits for Western Australia?

Some of the benefits of using lightweight construction include: reduced construction time, improved thermal performance, increased internal floor space, lower costs and a positive environmental impact due to the use of timber.

### How can we help home builders make the change?

For many Western Australian home builders, lightweight framed construction is not well understood. Because it has not been used widely in the state there is a lack of experience, knowledge and confidence amongst builders and relevant trades. Timberlink, recognizing the importance of providing easy to understand information to builders, was keen to support the industry initiative to review the opportunity and produce a guide on how to build lightweight framed dwellings. The guide, "Builder User Guide for Construction of Timber-framed Housing in WA", will be officially launched in Perth on June 9th, at a timber framed construction seminar organised by Timber Insight. The guide is designed to assist Western Australian home builders with the specification, design, scheduling and construction of light-weight timber framed houses.

Timberlink, as a major sponsor, will ensure that the guide, once released, is available for free download from our website. Timberlink is committed to supporting the Western Australian market through all parts of the building cycle by investing to grow the long-term market opportunities in that state.

Paul White, Timberlink's WA State Manager has been heavily involved in the project and believes that the new builder user guide will be invaluable to builders looking to make the move to lightweight framing and is working closely with Timberlink's customers in Perth market (merchants and fabricators) to make the most of this timber market growth opportunity.





Timberlink's Gareth Watson, with Janelle and Darren Lewis from Mitre 10, St Helens, Tasmania

## Independent Hardware Group Expo 2017

Gareth Watson, Tasmanian Sales Manager, and Frank Milazzo, NSW Account Manager, represented Timberlink at the 2017 Independent Hardware Group National Expo (previously known as the Mitre 10 Expo) earlier this year. Held on the beautiful Gold Coast, the Expo was attended by 2,100 attendees and supported by 215 suppliers.

Gareth and Frank enjoyed meeting the attendees who came from all parts of the country. In addition to discussing our range of structural pine and landscaping products, Gareth and Frank took the opportunity to talk about some of the things that make us Timberlink. These include our continual investment in technology and our experienced, friendly local Sales and Distribution teams.

Frank and Gareth reported that the Expo was extremely professional and Timberlink congratulates the Independent Hardware Group on the event.

## Upgrade investment continues at Tarpeena

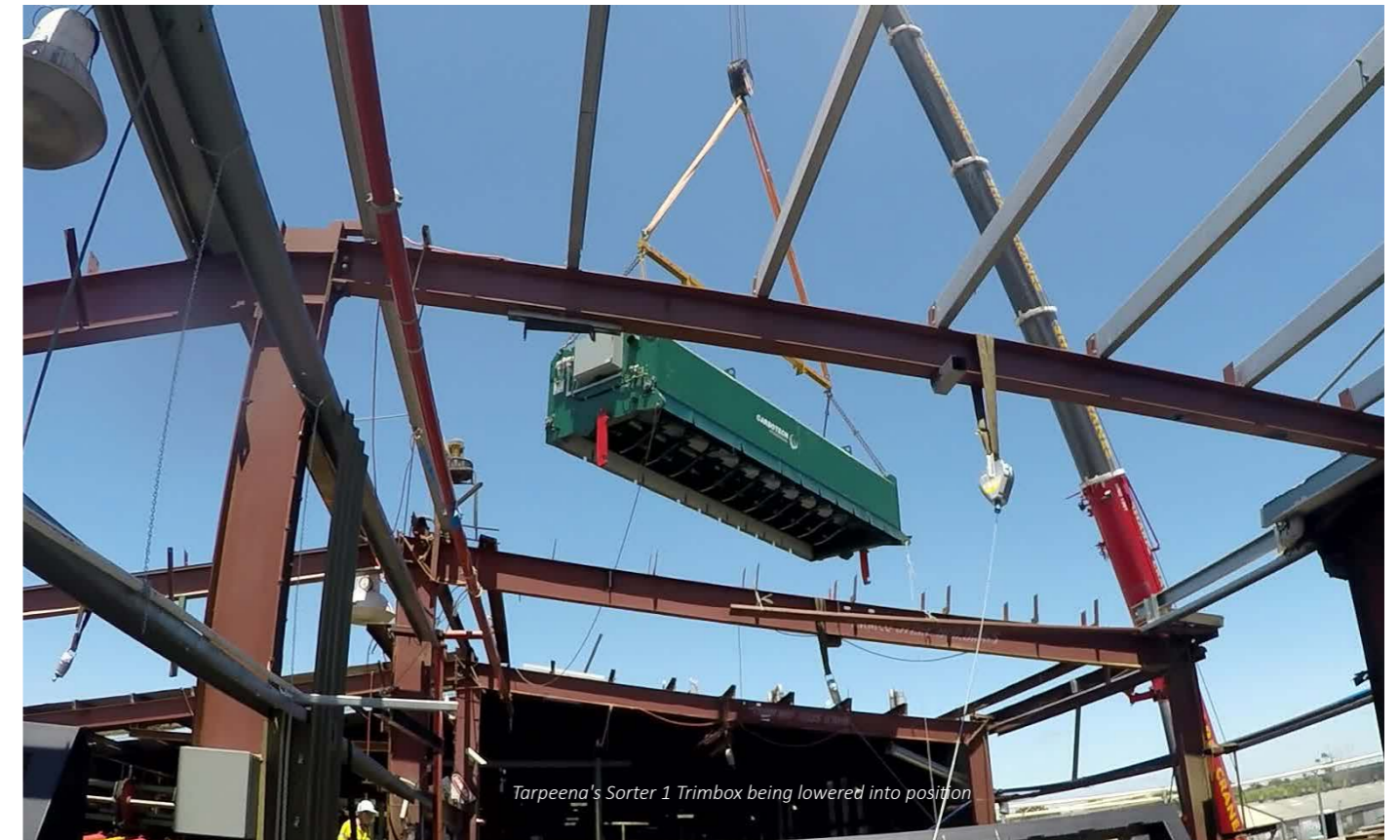
Since 2013 Timberlink has been purposefully and progressively upgrading and improving our Tarpeena mill in South Australia. Some of these investments have been made under the joint \$31m Timberlink/South East Forestry Partnerships Program (SSEFP)- a government program designed to foster a viable and competitive timber sawmilling industry in this region.

Under our upgrade program we have already made a number of significant key investments in the mill. These include the installation of a new heat plant, a new high-speed Gilbert planer and an extremely efficient 119.2 metre Contraflow Kiln.

Our most recent investment occurred over our Christmas shutdown and involved upgrading equipment in Tarpeena's Green Mill which, of course, is the first stage of primary breakdown of the

sawlog. This stage of upgrades in our green mill focussed on the board handling, scanning and trimming part of the process so that we are now capable of achieving world class capacities and speeds in this part of the process. After installing the new state-of-the-art trimmers and scanners the team immediately saw improvements with the new board handling, scanning and trimming performance. These improvements have enabled major improvements in our fibre and value recovery, giving us increased flexibility with log diet and optimal cutting patterns. Minimizing waste at this stage of the process is key to being sustainably competitive.

These investments, along with future planned ones will improve Tarpeena's ability to meet changing market requirements and give us the capability to better serve all state markets across Australia with varying mix requirements and also international markets.



Tarpeena's Sorter 1 Trimbox being lowered into position



# Cheers Buchan Pub!

The Buchan Pub, located in country Victoria, was over 130 years old when it was destroyed by fire on the evening of April 8 2014. Caused by an electrical fault the fire took 55 firefighters and 9 firetrucks an hour and a half to bring under control. The owner, looking at a rebuild cost of over a million dollars, was ready to walk away but the local community was not prepared to let this happen!

A crowd-funding campaign (one of Australia's biggest and most successful) raised more than \$600,000, with people across the world providing support. Local suppliers worked together to supply materials and when the local Dahlsens store contacted Timberlink to supply the timber for the trusses we were only too happy to help. The rebuild was completed in December 2016 and suppliers and builders were invited to attend a lunch at the newly restored pub.

Alan Holter (Timberlink's Victorian State Sales Manager) who was instrumental in arranging the timber, attended on behalf of Timberlink and reported that the Buchan Pub is well and truly back in business!



Buchan pub owner, Greg Brick during the rebuild

Image courtesy of WeeklyTimes



## Julia Hall Joins Our Sales Team

Timberlink welcomes Julia Hall to the team. Julia has taken on the newly created role of National Sales Manager, Australia, assuming responsibility for the Australian Sales and Customer Service network. She is a dedicated, passionate sales professional and leader, and with her strong belief in the value of creating and maintaining excellent customer and team relationships will be an asset to Timberlink.

Julia has extensive Sales and Marketing experience in the hardware and building trades, having worked for twelve years at Dulux and Cabots (Dulux Group). She brings knowledge of the specifier markets having successfully created the first strategic go-to-market plan for Cabots' premium Woodcare Brands and then later heading up the Commercial team looking after Flooring, Home Builders and Trade.

Julia has a passion for the environment and is excited to have joined a company that is truly sustainable in both their Forest to Mill practices and in their approach to people.

Stays straight in your racks so it goes straight out your door

Timberlink Green Low Odour LOSP, machine graded for structural integrity and visually graded for optimal appearance, is market preferred for its superior dimensional stability and superior appearance.

**TIMBER LINK**  
GREEN AUSTRALIA





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Timberlink Australia  
Telephone 1800 088 135  
[www.timberlinkaustralia.com.au](http://www.timberlinkaustralia.com.au)

Timberlink New Zealand  
Telephone + 64 3 520 6240  
[www.timberlinknz.co.nz](http://www.timberlinknz.co.nz)