



FTMA Chair's Report

The 2022/23 year in review

General:

We saw dramatic changes in the market during the year ending June 30 2023 with the year more or less falling into two halves. Broadly speaking, up to the end of the 2022 calendar year, strong demand and supply chain shortages persisted as we had seen in 2021/2022. However we subsequently saw a sharp contraction in demand in early 2023 and members reported a lot of their clients cancelling or postponing planned projects.

There is a lot of complexity behind what we see as the number of orders coming through the factories, but in simple terms industry commentators have described a demand drop indicated by housing consents dropping from a rate of nearly 50,000 per year to less than 30,000 per year. However it is important to note that the drop was not experienced equally throughout all sectors or regions.

Some regions such as Auckland and Waikato may have seen the drop-off a bit earlier and more severe than some other areas. Also, the change in demand depended on what type of clients the manufacturer served. For example, manufacturers with more exposure to entry level housing builders saw more drop-off compared to those serving more bespoke and high-end builders and developers.

On the bright side, members have reported much improved supply chain functions with the drop in volume and much more price competition particularly among timber and engineered wood suppliers.

A key aspect of the year was our commitment to hold our conference in July of 2023 after a number of postponements during the Covid pandemic times. Although the conference was not held in this year of review, the FTMA executive and conference management team spent a lot of time pulling the programme together and planning the event with our event organiser Special Events. In the end we made a loss overall on the conference which was acceptable given the benefits for members. A summary of the conference profit and loss will be presented at the 2023 AGM.

As always, our ongoing focus is on providing meaningful services to our members, advancing the interests of our industry sector and prudently using the resources of the FTMA. The FTMA remains in a sound financial position and we will continue to use these resources for the benefit of our members and the industry as detailed in this report.

Membership

At the conclusion of the 2022 / 23 year (June 30, 2023), our membership structure stands as follows.

Member Type	Details	
Category D	Frame and truss manufacturers	77 (as manufacturing sites)



Corporate category A	Certified design & detailing software and nail plate providers	Mitek Pryda
Corporate category B	Major frame and truss manufacturing equipment, material or service providers	Spida Machinery Vekta Automation Red Stag Timber Ezequote
Corporate category C	Major timber and building material merchants – support offices	Bunnings Carters ITM Mitre 10 PlaceMakers
Industry associates (various entities with interest in frame and truss manufacturing industry)	Arxada Wood Protection Ecko Fastening Systems Fortress Fasteners NZ Hiandri Solutions Hundegger Aust Juken New Zealand Koppers Performance Chemicals	Nelson Pine Industries Northpine NZ Wood / IBuilt Prowood NZ Technoform TuffPlans Winston Wallboards

Corporate and industry associate member fees account for approximately 57% of our revenues in the 2022 / 23 year with the balance coming from frame and truss manufacturing members. A couple of industry associate members elected not to continue their membership into the 2022 / 23 year but on the other hand some new industry associate and other corporate members committed to join for the new year. As always, we ask that our manufacturing members support our corporate and industry associate members where possible and we acknowledge their contribution without which the association could not function in the current form.

FTMA Executive Team

As indicated at the 2022 AGM, FTMA executive committee places were offered to a representative from Mitre 10 and a representative from Bunnings. These places were filled by Mark Moffitt and Stephen Payne respectively. At the end of June 2023 Rene Pienaar from Carters resigned from the committee and a new representative from Carters commenced from July 2023 being Tayn Stefanidis of Carters Wellington. At the end of the 2022 / 23 year the FTMA executive team makeup was as follows.

Chair	Seith Harrison – ITM Support Office
Vice Chair	Andrew Skinner – Urlich Milne Lawyers
Executive team	Richard Rozbicki – Thomsons ITM Phil Broadley – Prenail Frames & Trusses Jake Pretorius – PlaceMakers Rene Pienaar – Carters Andrew Crighton – Northern Timber Manufacturing Mark Moffitt – Mitre 10 Stephen Payne - Bunnings Steve White – Pryda



	Antony Cooke – Mitek
Non-executive contractors	Peter Carruthers – Member Services Baldish Kaur – Secretariat

Due to change in circumstances for certain other executive members, at the 2023 annual general meeting new executive members will be nominated for confirmation by members.

Financial Position

For the year ending June 30, 2023, the association had total income of \$142,982 excluding GST (not including conference income and sponsorships). Expenses from normal operations for the year (not including conference related costs which will be covered separately) were \$94,222 excluding GST leaving a surplus of \$48,759 (excluding depreciation). Cash reserves at June 30 2023 stood at \$342,535. Further details are provided in more depth in the financial summary papers.

Associated Support Memberships

We continue to strengthen our connections with key industry partners, including:

- Associate membership of **BIF (Building Industry Federation)** – one of the key benefits being access to the Government bodies responsible for policies and regulations that affect our industry particularly in relation to supply chain and impacts on merchants.
- **New Zealand Construction Industry Council (NZCIC)** being the peak body of building and construction industry organisations.
- Continuing close engagement with **BCITO (Building & Construction Industry Training Organisation)** and representation on their National Advisory Group via members of our Executive team. FTMA members have also contributed to the Workforce development Council on longer term planning and objectives for vocational training to meet future skill and workforce needs.
- We work closely with the **Wood Processors and Manufacturers Association (WPMA)** on relevant issues such as reform of NZ Standards and the changes to energy efficiency under the revised clause H1 of the Building Code.
- We continue trying to work with **WorkSafe** in the form of their review of our SOP training videos which will be detailed later in this summary. Unfortunately it has been difficult to retain a suitable contact as Worksafe staff typically change roles every year or so.
- Continuing to work with **BRANZ (Building Research Association of New Zealand)** and engage with their technical staff to ensure that solutions proposed by BRANZ involving frame and truss applicable to changes to Building Code clause H1 are practical, cost effective and retain other requirements particularly structural integrity and safety.
- **MBIE:** The relationship with MBIE has been somewhat interrupted due to the resignation of John Sneyd the general manager for the Building System Performance group in February of 2023. Some of the projects that John was promulgating such as reform of NZ Standards unfortunately appear to have now languished. Representatives from MBIE were invited and accepted to present to the FTMA conference.



- We continue to develop our relationship and cooperation with **FTMA Australia** including joint work on and funding of the SOP training video project which is being shared with them.
- We are members of **OffsiteNZ** (previously PrefabNZ) as we wanted to better understand the sector and be able to report opportunities or developments that may be of interest to FTMA members. Some FTMA members are also members of OffsiteNZ in their own right.
- We continued our membership of the **Sustainable Business Network** although to date we have found that their focus is more on consumer goods and food supply and not so much on manufacturing and building sector. However there are indications that more focus will be given to these areas more relevant for FTMA.

General Activities

FTMA SOP Training Videos: Completion of this project has been much slower than anticipated due to funding and technical issues. We know that members have been waiting for these resources and we apologise for the slow delivery. However the project will be delivered and demonstrated at the 2023 AGM.

FTMA conference: In Q4 of 2022 we committed to holding our conference in July 2023. Members will recall the unfortunate postponements in 2021 and 2022 due to uncertainty about the travel restrictions and viability of public meetings that were in place at times in that period. The conference committee put a lot of effort through the first half of 2023 into delivering the conference and which was successful and well received by members and sponsors alike. Although not strictly occurring in this membership year (ending June 30, 2023), a summary of the financial results from the conference will be presented at the 2023 AGM.

Frame & Truss qualifications: The FTMA executive Training committee members have continued to work closely with BCITO in further developing curriculum for frame and truss qualifications through the National Advisory Group. Development of a training module for floor cassette manufacture has been commenced with the Workforce Development Council and FTMA representatives are on the working group. Overall with the deterioration of market conditions and a tighter economy overall in 2023, apprenticeship numbers have declined compared to the same period in 2022.

Newsletter and website: We continue to send quarterly digital newsletters containing information and updates relevant to our membership, and we welcome your feedback on any additional content you would like to see in the newsletter or on our website.

Standards reviews: Antony Cook or Mitek continues to represent FTMA on the NZS3640 review committee. A draft version is expected to be released for public comment by the end of 2023 with a final version available from mid 2024 according to latest assessment.

Audits: FTMA completed 6 audits of member frame and truss manufacturing plants in 2022/23. Of these five were found to be operating well according to the FTMA Code of Practice. One member who was found to have some deficiencies is no longer trading.

MBIE building sector reforms: As discussed earlier, changes with MBIE senior management resulted in a loss of momentum for some of the issues being addressed such as reform of Standards. Overall



the volume of consultations issued by MBIE was less than in previous recent years with the main example being review of the consenting system to which FTMA made a submission.

Conclusion

In conclusion, we would like to reiterate that your continued membership, ongoing support and active participation is vital to our efforts on your behalf to enhance manufacturing and operating standards throughout the industry, guide our way through code and regulatory changes and to promote timber-framed structures as the preferred choice of building material in New Zealand.

Our core values remain as follows:

ADVOCACY COMMITMENT EDUCATION QUALITY SUPPORT

Your Executive team remains focused on improving training and work standards within our sector, raising the profile of the frame and truss sector within the building & construction industry, on building our credibility with Government to ensure that our voice is heard, and on supporting our membership as well as we possibly can.

Much of our work is carried out in the background and is not widely visible, and my thanks are hereby extended to my team for their ongoing efforts on your behalf.

Seith Harrison

Chairman, FTMA NZ

September 2023