

Helping dispel leaky home worries

Independent Verification Services and Hill Laboratories try to restore confidence in industry.

A Hamilton-based company which has reduced compliance costs around international trade is also giving home builders assurance that their timber is the right standard for the job.

Independent Verification Services (IVS) chief executive Peter Webb says his company has partnered with Hill Laboratories to test and verify standards of timber treatments to give consumers confidence in the wake of the leaky home debacle.

IVS specialises in verifying wood is free from contaminants and organisms before export, but the company has played an active role in the Wood Processors Association of New Zealand which is looking to get minimum timber treatment standards enforced.

"There needs to be some approved structures around timber treatment and timber grading and the industry needs to build some confidence with consumers," Webb says.

IVS had its beginnings in Webb's belief that exporters were paying too much for testing and certification for forestry and timber products.

Describing himself as "a hill country sheep and beef farmer with a short attention span", Webb joined the Quarantine Service at Auckland International Airport a few years ago after finding he could not develop his Taranaki farm further. The new job opened his eyes to what he believed were inflated compliance costs around international trade.

He decided he could offer timber exporters a better deal and also, with colleague Stephen Mansfield on board, offer Ministry of Agriculture and Forestry (Maf) approved training to



PETER WEBB: IVS focused on the timber export sector because that was what they knew. **TIMES FILE**

carry out in-house treatment and certification.

The aim was to break "a monopoly" which saw exporters charged amounts "which bore little relation to the actual costs" for certification, Webb says.

"Together Stephen and I saw that, with our Maf background, we could bring some value with our understanding and knowledge of importing."

The entry of IVS into the market timber export verification and certification services has lowered costs across the board.

"There are still only two suppliers [IVS and Quality Assure] but now our main exporters are paying half of what they were four years

ago," Webb says. He is proud of the cost savings IVS is driving in the timber industry, one of New Zealand's backbone export industries.

"We have not tried to be all things to all people," Webb says.

"We focussed on the timber export sector because that was what we knew and were comfortable with."

The company's dedication to cost efficiency and high levels of customer service has led to rapid growth.

"We have experienced an average of 46 per cent growth every year for the last three years," business development manager Karen Huckstep says.

"I started on 30 hours a week from home but there was no way it [IVS] was ever going to stay a part time thing."

The growth has required staff be flexible enough to take on new roles according to the needs of the company.

"It is all about choosing the right people with the right background for the right role," Webb says.

More recently the company has looked further outside its comfort zone — it has developed an online country of origin

certification which can help all exporters make the most of fast track through borders and ports available through free trade agreements.

In July, IVS launched its timber preservation assurance programme to test the quality of treated timber used in the building industry.

Webb says the service was a response to the timber industry's consumer confidence crisis following "the leaky homes debacle".

Despite the role of both design and build quality in the leaky homes problem, untreated timber was a key part of it, Webb said.

Earlier this month the Minister for Building and Construction, Maurice Williamson, opened consultations on a review of the Building Code which includes proposals to deal with timber treatment standards.

The timber preservation programme had already been picked up by one of New Zealand's largest suppliers of building timber Red Stag Timber which is based at the Waipa Mill in Rotorua.

With Red Stag a supplier to both Placemakers and ITM, the IVS logo would soon be seen on timber from those outlets proving it has met a high standard of preservation, Webb says.

"That's where a third party quality assurance programme comes in."

The programme has also led to a partnership with fellow Waikato Innovation Park residents, Hill Laboratories. Webb said working at the Park allowed him to talk to a client, then walk downstairs to the Hill offices to discuss delivery timeframes face to face.

In its programme IVS collected and delivered the samples to Hill, which analysed them with "some very expensive equipment", producing raw data.

IVS staff then "translated" the data — raw numbers and spectrographs for the most part — into formats more easily understood by clients.

Being based at Innovation Park had allowed the company to move to larger office space as required with its rapid growth.

"We have moved [into larger office spaces] five times in the last four years and never dropped a phone call," Webb says.

Attention business owners

How much profit is your business making?

If you only know the answer to this question after your accountant has compiled your end of year accounts, then there is room to improve how you currently manage your business!

WOULDN'T YOU RATHER KNOW WHAT IS HAPPENING IN YOUR BUSINESS TODAY?

So you can plan better for what might happen in your business tomorrow...

Management Accounting leading the way in business management

At Kelly & Bryant we are fortunate to have fully qualified accountants available to come to your office for a couple of days each month to do your management accounts.

Specialists in MYOB, Xero, QuickBooks, budgeting & forecasting software.

Call us today for a free, no obligation consultation & upfront fee estimate
FIND OUT HOW WE CAN HELP YOU BETTER MANAGE YOUR BUSINESS.

Helping you succeed in business!

KB KELLY & BRYANT
CHARTERED ACCOUNTANTS LTD

"Serving clients throughout the Waikato for the past 70 years"
(p) 07 871 3176 (f) 871 3541 (e) info@kb.co.nz (w) www.kb.co.nz

Finalised act gives less clarity, more confusion



NIGEL TATE

The Financial Advisers Act has now been finalised, or has it?

In an extraordinary about-turn the Government has changed the status of many advisers in New Zealand by accepting the recommendations of a select committee that was chaired by the previous Labour minister who started the process while Labour was in power.

It appears the Government has simply altered the scope by narrowing the definition of "financial advice" to that of "investment advice".

In accepting this Minister Simon Power had also implemented an unintended consequence of negating the ability of insurance advisers and mortgage advisers to become authorised financial advisers (AFSs).

After further submissions this is likely to be adjusted by regulation but this may still serve to confuse the public for which this act was intended to assist, by having two levels of

advisers providing crucial advice around two of the most important elements of financial planning.

The act was initially designed to benefit the public by increasing the "level of confidence in the abilities and professionalism of financial advisers" and this was to be done in a manner that made it clearer for clients or prospective clients to select the right adviser for them.

It is my view that the result is less clarity and more confusion, all in the name of protecting the investing public from inappropriate advice around investing. Moreover this seems to have been driven off the back of the finance company debacles over which the adviser fraternity had absolutely no control.

Don't get me wrong, I am fully supportive of raising the level of financial literacy both with the general public and within the financial advisory profession but I feel that it needs to be done in such a way that it will be of benefit to the public whether they are investing, insuring or borrowing. After all this is a large part of what financial planning is.

■ Nigel Tate is president of the Institute of Financial Advisers.
nigel@ntfp.co.nz