

# ANNUAL REPORT

July 2007– June 2008





## Chair's Comments



During the latter half of the 2007-08 year, activity and growth within the New Zealand construction industry has been relatively modest in comparison to recent years. As a result, opportunities across the commercial, residential and infrastructure markets slowed. Legislative and regulatory developments however continued apace, while the focus on sustainable development also intensified. Add to this turbulent mix an upcoming general election and global financial uncertainty, and there is an obvious need for strong industry representation, such as that provided by CCANZ.

In order to address current challenges, as well as position the industry for future growth, the 2007 Annual Planning Workshop went back to *first principles* and reviewed the CCANZ mission and vision, along with the organisation's strategic objectives. The result was a long-term Strategic Plan (2007-12) that laid out a series of core strategies designed to enhance cement and concrete's competitive position. Adopting a combined industry approach, CCANZ has implemented the resulting 2007-08 work programme with energy, commitment and resourcefulness.

This involved CCANZ once again devoting considerable effort to ensuring Government and its various agencies fully understand the worth of concrete. As the initiatives stemming from the 2004 Building Act reached completion, maintaining a strong relationship with the Department of Building and Housing (DBH) on the Building Code Review and the Licensed Building Practitioner Scheme has been an important focus of CCANZ government relations.

Another key role is voicing the industry's collective opposition to the Ministry of Agriculture and Forestry's policy requiring all new government-funded buildings (up to four floors) to commission design options using wood or wood-based products as the main

structural material. This has seen CCANZ in direct discussions with Hon. Shane Jones, Minister for Building & Construction, in order to remove barriers to the use of concrete.

The *Sustainability of Concrete* group of projects is a further notable achievement that aims to unite the industry and ensure concrete is recognised for its contribution in achieving a sustainable built environment for New Zealand. This group of projects encompassed both a research programme and a communications campaign; the latter giving rise to the Concrete<sup>3</sup> brand, which has gained notable coverage across trade and consumer media.

During the year, CCANZ has been involved with the development of relevant and effective industry qualifications that meet the needs of both individuals and business. In particular, the association's work with the Building & Construction Industry Training Organisation (BCITO) is starting to pay dividends, and I am confident that our industry will soon see the benefits afforded by a skilled workforce.

Accomplishments such as these have enabled CCANZ to reinforce its position as a representative authority on cement and concrete matters, and on behalf of the Board I would like to express my gratitude for a job well done.

Over the past several years the CCANZ Board has undergone significant change, with several extremely experienced members moving on. While the loss of their combined knowledge has inevitably been felt, the current Board has united as an effective group, and I thank them for their contribution and support.

I am pleased my role as CCANZ Chair has been extended to the 2008-09 year, and I look forward to developing a work programme that builds on past successes for the advantage of the entire industry.

**Glenda Harvey**  
CHAIR

## Chief Executive's Foreword



While the first half of the 2007-08 year saw industry continue to enjoy relatively sustained levels of activity, the latter half has seen this holding pattern give way to a general slow down. Within this more challenging economic environment, the role of CCANZ as an industry association has gained focus.

The long-term CCANZ Strategic Plan (2007-12) sought to *add value* by identifying a range of core strategies that included fostering organic growth through the promotion of concrete products and technology, identifying and promoting competitive construction systems, positioning concrete as a sustainable product, influencing the legislative and regulatory framework, and facilitating cement and concrete related education, training and research.

These core strategies were embodied in CCANZ's baseline activities, such as corporate services, standards development and technical support, and also in extensive project and communications plans.

Worthy of particular mention is the *Sustainability of Concrete* group of projects. These included a jointly funded research programme into the recarbonation of demolition concrete, a review of the drivers and barriers to increasing the practice of recycling concrete waste as aggregate in New Zealand, and the commissioning of a New Zealand Institute of Economic Research (NZIER) report into the economic impact of the cement and concrete industry.

The invaluable information yielded by these projects will enable CCANZ, along with the industry as a whole, to secure opportunities for

concrete, and improve industry capability and competitiveness, both now and in the future.

The *Sustainability of Concrete* group of projects also involved a comprehensive communications campaign, which under the Concrete<sup>3</sup> brand sought to raise awareness of concrete's contribution to New Zealand's sustainable development. Launched at Te Papa in September 2007, the Concrete<sup>3</sup> brand has gained tremendous traction through a strategic programme of proactive media activity.

In addition to the media activity generated by the Concrete<sup>3</sup> brand, CCANZ has achieved an unprecedented level of proactive media exposure this year. This has been based around contributing to the road safety barrier debate within mainstream media, as well as ongoing opinion pieces in trade media covering topics such as affordable housing and workplace training. Through targeted media activity CCANZ, has raised its profile and reinforced its position as the general industry voice on cement and concrete issues.

The achievements secured by CCANZ during the year are of undoubted benefit to the entire industry, and could not have occurred without our dedicated staff. I would personally like to thank our frontline staff Alan, Rob, David and Adam, together with the dedicated and often unheralded support team of Cathy and Angelique.

It is also appropriate to acknowledge the ongoing support and assistance that we receive from a wide range of industry personnel. This input contributes greatly to CCANZ's performance.

**Patrick V McGuire**  
CHIEF EXECUTIVE



## Strategic Plan

As the construction industry has experienced a slow down during the latter half of the 2007-08 year, CCANZ's leadership role has grown in importance as a means to ensure concrete remains competitively positioned relative to other building materials.

Such a challenging environment has placed a premium on leadership strategies that both maintain and develop concrete's market share, and do so in an innovative, engaging and at times bold manner.

The Annual Planning Workshop (APW) remains crucial to pan-industry issue identification and prioritisation. With Clayton Cosgrove (former Minister for Building & Construction) present, the workshop, held in Auckland during March 2007, was attended by all sector associations, and provided the basis for CCANZ's long-term 2007-12 Strategic Plan.

The Strategic Plan identified the following key objectives:

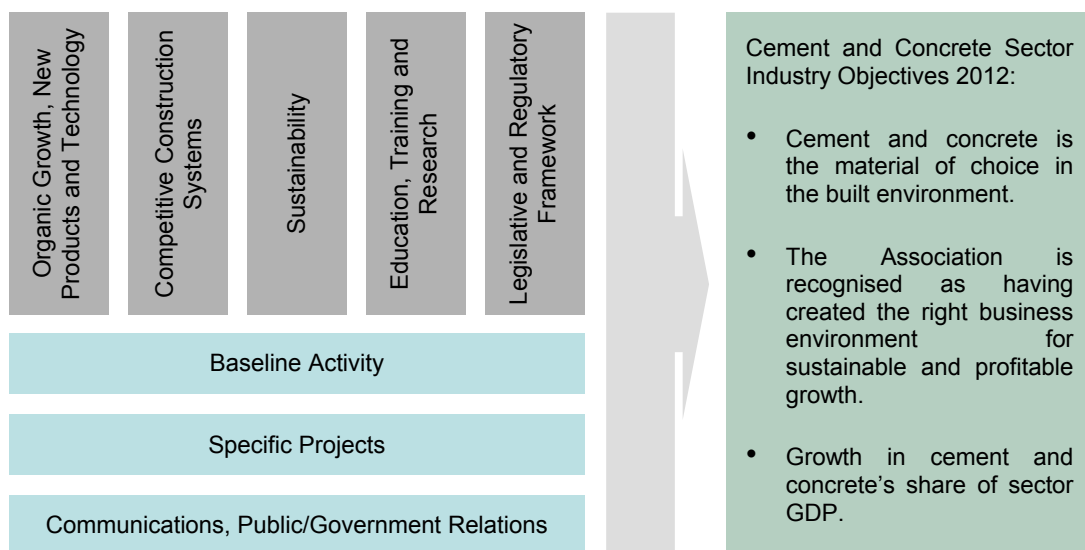
1. Cement and concrete be the material of choice in the built environment.
2. The Association be recognised as having created the right business environment

for sustainable and profitable growth.

3. Growth in cement and concrete's share of sector GDP.

In order to successfully achieve these key objectives, the following primary "streams" of activity/core strategies were formulated:

1. Organic Growth, New Products & Technologies – foster organic growth through raising awareness of cement and concrete and promoting the introduction of new products and technology.
2. Competitive Construction Systems – identify and promote systems for development that will counter competitors' systems in order to maintain and grow market share.
3. Sustainability – position concrete as a sustainable product.
4. Education, Training & Research – increase the level of education of people within the industry; increase numbers in training; promote the concrete sector as a good career path in order to attract and retain people in the industry.
5. Legislative & Regulatory Framework – influence the legislative and regulatory framework and remove barriers to the use of concrete.



**CCANZ**

**Cement & Concrete Sector**

The core strategies were brought to life during the 2007-08 year through the implementation of a work programme that incorporated the following elements:

1. Baseline Activity.
2. Specific Projects.
3. Communications, Public/Government Relations.

## Baseline Activity

The provision of member information support is central to CCANZ activity, at the heart of which is the CCANZ library. *Concrete* magazine has been expanded both in terms of its page count and distribution, now approximately 6700 copies. The redesigned CCANZ monthly e-newsletter *Grey Matters* continues to be well received, while the CCANZ website received 160,000 hits during 2007-08, a 13% increase over the previous year.

In terms of corporate services, CCANZ Project Managers continue to act in a growing capacity as Executive Officers for the New Zealand Ready Mixed Concrete Association (NZRMCA) and the New Zealand Concrete Masonry Association (NZCMA), as well as sitting on the Executive Committee of Precast New Zealand Inc. The past year has also seen CCANZ's role with the New Zealand Masonry Trades Registration Board (NZMTRB) increase dramatically.

CCANZ's technical enquiry service remains extremely busy, fielding over 500 enquiries during the year. These enquires are invaluable in identifying knowledge gaps within the industry, and provided the impetus for drafting two Information Bulletins (IB) during 2007-08.

### IB 86 Self-Compacting Concrete

This bulletin summarises the advantages of using self-compacting concrete (SCC), which as a high performance concrete does not require vibration for placing and compaction,

and is able to flow under its own weight, completely filling formwork and achieving full compaction even in the presence of congested reinforcement.

### IB 87 Concrete Masonry: Compliance with Clause H1 – Energy Efficiency

This bulletin outlines the various methods to achieve energy efficiency, while also explaining how solid masonry construction, with accessible thermal mass, can use the Schedule Method to demonstrate compliance with the NZBC. How to achieve compliance with Clause H1 when dealing with strapped, insulated and lined masonry construction is also outlined.

Once again the 2007-08 year has seen CCANZ heavily involved with ongoing standards development, revision and amendment.

- NZS 3101 Concrete structures standard - The design of concrete structures.
- NZS 3104 Specification for Concrete Production.
- NZS 3112 Methods of test for concrete.
- NZS 4218 Energy efficiency - Small building envelope.
- NZS 4251 Solid plastering - Cement plasters for walls, ceilings and soffits.

In addition, CCANZ Chief Executive Patrick McGuire chairs Standards New Zealand's Cement and Concrete Advisory Group, as well as sitting as a member of the Building Sector Board and the Design and Construction Advisory Group. CCANZ is also working closely with Cement Concrete & Aggregates Australia (CCAA) on the joint Australia/NZ Committee for cements and admixture standards alignment.

CCANZ continued its role as the industry's voice in liaising with organisations such as the Construction Industry Council (CIC) and the Institution of Professional Engineers (IPENZ). Engagement with the Building and Construction Industry Training Organisation (BCITO) has also become more frequent as



CCANZ sits on sector working-groups to assist in the development of new concrete qualifications.

Also within the field of training and education, the 2007-08 year saw the always-popular concrete technicians' course continue its modular format as three separate one-day courses, covering an introduction to the concrete industry, concrete testing and concrete technology. These were held in the North Island for the first time, and carried NZQA credits towards the National Certificate in Concrete Production.

## Specific Projects

The *Sustainability of Concrete* group of projects was central to the CCANZ 2007-08 work programme. These included both a research programme and a communications campaign. The research programmes are summarised below.

### Recarbonation in New Zealand

It is becoming increasingly understood that demolition concrete has the potential to reabsorb much of the CO<sub>2</sub> liberated during cement manufacture. This process is known as recarbonation. There is, however, a lack of knowledge regarding the recarbonating capacity of demolished and crushed concrete in New Zealand. This means that the cement industry's contribution to global CO<sub>2</sub> emissions is likely to be considerably overestimated, particularly with the increasing use of recycled concrete.

This research project, undertaken in partnership with the New Zealand Portland Cement Association (NZPCA), confirms that recarbonation occurs in New Zealand at similar rates to that in Europe. Tests on samples of historic crushed concrete from Auckland and Christchurch locations show that recarbonation increases with the age of the concrete. Carbon dioxide uptake is at its highest when fresh concrete surfaces are exposed to the atmosphere, and then reduces over time.

### Recycled Aggregates Technical Review

Approximately 5% of the total waste sent to landfill in New Zealand is concrete. This report looks at the drivers and barriers to increasing the practice of recycling concrete waste in New Zealand.

The report found there is significant potential to increase the demand for recycling crushed concrete, but that currently there are insufficient quantities of waste concrete available to process. It was also found that:

- Recycling concrete by crushing is technically feasible, but only economic in certain circumstances.
- The majority of recycled crushed concrete in New Zealand is used as road metal and fill.
- There is a lack of recycling infrastructure in New Zealand, and government assistance is required to aid development.

### Economic Assessment of the Sustainability of Concrete

The report by the New Zealand Institute of Economic Research (NZIER), *Cement and Concrete Production: Economic Impact Assessment* was commissioned by CCANZ to assess the economic and social contribution of the concrete industry to New Zealand's sustainable development.

The report describes and values the economic activity that takes place within the associated areas of the cement and concrete industries. The report also estimates the extent to which the concrete industry increases demand for goods and services across the entire New Zealand economy.

In total, it was found that the direct, indirect and induced economic impact of cement and concrete resulted in \$7.44 billion of output throughout the economy in the year to March 2006. This activity resulted in 24,314 jobs and a value add of \$2.8 billion – about 1.8 percent of New Zealand's 2006 GDP.

## Communications, Public/ Government Relations

In addition to baseline member information services, three specific communication projects were developed during the 2007-08 year.

### Leadership and Advocacy

This project sought to improve CCANZ's profile within Government in order to influence policy creation. The tactical device for delivering a platform on which to build an advocacy and leadership role was the document *New Zealand Concrete Industry Position on Government Issues*.

This briefing paper helped convey the industry's position in relation to Treasury's discount rate and the Ministry of Agriculture and Forestry's timber design options, both of which have undergone subsequent revision.

### Campaign for Concrete

The objective of this project was to raise consumer awareness of the benefits of using concrete, and in so doing contribute to the repositioning of concrete as the new construction material of choice. CCANZ undertook a survey to determine perceptions of concrete, which informed the widely distributed consumer marketing booklet *Concrete: Comfort, Style & Strength*.

### Sustainability

During 2005-06 CCANZ sought to provide robust technical information on issues surrounding concrete and sustainable development. Following on from that information-gathering phase, the *Sustainability of Concrete* group of projects, comprising a research programme and a communications campaign, was developed during 2006-07.

Adopting the brand Concrete<sup>3</sup>, the 2007-08 communications campaign has sought to raise awareness of the relationship between concrete and New Zealand's ongoing sustainable development, through a range of activities.

These have included the wide scale distribution of printed collateral, the development of a website, a series of print advertisements and billboards, and ongoing proactive media activity.

The Concrete<sup>3</sup> campaign is scheduled to continue into the 2008-09 year with the production of a short film to be distributed on DVD, and the establishment of an annual Concrete<sup>3</sup> Sustainability Award.

### Proactive Media

Along with the Concrete<sup>3</sup> coverage, a sustained level of media exposure for CCANZ as an industry association has been generated throughout 2007-08. In addition to contributing regular pieces to *New Zealand Construction News*, CCANZ has featured in *Progressive Building*, *The Listener*, *The Dominion Post*, and *The New Zealand Herald*. Of significance was the mainstream media coverage of the road safety barrier issue.

### Government Relations

Throughout the year, CCANZ has monitored proposed legislative changes and engaged with government to develop appropriate responses to advance the industry.

### Building for the 21st Century: Review of the Building Code

In reviewing this DBH discussion document CCANZ expressed concern over the use of CO<sub>2</sub> emissions as the sole measure of resource efficiency, and the lack of consideration given to the radiant heat transfer associated with high thermal mass construction.

### Proposed Compliance Document for Simple Housing

Responding to DBH, CCANZ endorsed the desire to make it easy for people to construct simple and comfortable housing. However, the proposed compliance document would not achieve this objective as it adopted a "one size fits all" approach to building design and the specification of materials.

