



28 November 2017

## **Update regarding seismic mesh**

*Statement made by Mark Malpass, Interim CEO Steel & Tube*

On 7 June 2017, Steel & Tube confirmed that the Commerce Commission had filed charges against the company under the Fair Trading Act in relation to 500E grade seismic mesh. The charges in regards to compliance with the testing standard for seismic mesh relate to the application of testing methodologies only, not the performance characteristics of the seismic mesh.

Twelve charges relate to the inadvertent use of a testing laboratories logo at the bottom of the test certificates of SE62 mesh. Steel & Tube acknowledged the mistake in March 2016 and immediately removed the logo.

The remaining twelve charges relate to the application of testing methodologies in the applicable standard, not the performance characteristics of the mesh.

Steel & Tube has been co-operating with the Commission to reach an appropriate resolution of the charges and has entered guilty pleas to the charges.

Steel & Tube takes quality and compliance very seriously and since April 2016, the company has had external accredited laboratories testing seismic mesh.

The company has also taken significant steps to enhance its quality and product assurance systems.

These charges relate to historical matters that are before the courts and the company cannot comment further.

The Commission has previously confirmed it has filed charges against two other companies in relation to false and misleading representations about seismic mesh. The Commission has also said previously that it expected to lay charges against one other company, and that investigations continued into another.

[ENDS]

Media contact: Tanya Katterns, S&T Communications Manager: 04 570 5048 / 021 573 874

### **Background**

There were significant interpretational issues with the standard for testing seismic mesh. The ambiguities in the standard led to Steel & Tube calling for a Government/industry review of the testing standard and in November last year, the clarification that Steel & Tube had sought was issued by the Ministry of Business, Innovation and Enterprise.

Clarification of the standard gives all seismic mesh manufacturers and sellers certainty regarding how seismic mesh is to be tested to ensure it complies with the standard. It also gives building owners reassurance that all seismic mesh will now be tested in the same way.