

5 December 2016



## **Response to Commerce Commission media release**

### ***Statement made by Dave Taylor, CEO Steel & Tube***

We were disappointed to learn that the Commerce Commission intends to prosecute Steel & Tube along with two other companies after the Commission's investigation into seismic mesh.

The Commission's decision in relation to Steel & Tube relates to the application of the testing methodologies, not the performance characteristics of our seismic mesh.

Today's announcement should not slow down any building project using any of our seismic mesh whether it be planned or underway, as the company's seismic mesh is externally tested by accredited laboratories.

We want to reassure our customers that we take standards and compliance very seriously, and despite the Commerce Commission's decision we stand by our products and have confidence in them.

It is clear from the Commerce Commission's media release that this is an industry issue. Ambiguities in the testing Standard resulted in seismic mesh manufacturers and accredited testing laboratories applying different testing methodologies, and it has impacted everyone in the industry.

We believe our seismic mesh is and has been produced consistently with the performance characteristics in the Standard and ensures building safety.

Since April this year our mesh has been tested for compliance internally, and externally by accredited laboratories.

There has been significant reassurance offered to homeowners by both MBIE and the Structural Engineering Society. The Society says homeowners should not become unnecessarily concerned about the ductility of seismic mesh in their houses.

The Insurance Council has also reassured New Zealanders that anyone with home and contents insurance in houses built with seismic slabs in the last four years should not be unduly concerned about their insurance coverage.

We have co-operated with the Commerce Commission throughout their investigation, including explaining our application of the Standard and remain committed to working constructively with the Commission.

[ENDS]

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### **Background**

In April this year, Steel & Tube called for a Government/industry review of the testing Standard to resolve the ambiguities, at the same time also supplying mesh that was dual tested, both internally, and externally by accredited laboratories, to give customers extra assurance.

We were pleased that on the 4<sup>th</sup> of November, the clarification Steel & Tube had sought was issued by MBIE.

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.