

Osmose[®] Preservation COMPASS

APRIL 2011 | ISSUE 6 | 1800 088 809

TASCO FIRST WITH MICROPRO[®] DECKING

Those who attended last years Osmose seminars will remember that Osmose' Gary Converse gave a comprehensive and compelling introduction to the development, features and implementation of MicroPro. Tasco had shown keen interest in the MicroPro process and initiated trials of MicroPro treatment technology to replace ACQ as the treatment for its pine decking product. While being happy with ACQ, the process required a very involved production procedure to achieve the aesthetic finish required by customers. MicroPro offered a simpler process with the promise of a product that could be painted or stained by the end user to achieve the colour and appearance they were after.

To achieve the right product, Tasco worked closely with Osmose and Davids Timber to run treatment and drying trials over the latter part of 2010 and early 2011 and the end result was a series of refinements and adjustments to sorting the timber, the treatment process and the drying of the timber decking.

Tasco have now moved completely to MicroPro decking and the response from their customers has been very positive. Osmose would like to thank the team at Tasco and Davids Timber for their vision in pursuing a better product for their production process and for the highly detailed and professional way they approached its testing and implementation.

Osmose staff have been pleased to help and look forward to assisting other customers in implementing MicroPro over the next months. More information and brochures on MicroPro are available on the Osmose website.



INTRODUCTION

We are now into the second quarter of 2011 and it has certainly been a difficult start to the year. We have seen devastating acts of nature impact the lives of so many people around Australia, New Zealand and the world in places like Japan. Our thoughts are with all those affected.

From a business point of view, our customers are mainly reporting very tough trading conditions with a clear softening in demand for treated timber. Demand has been impacted by the floods and cyclones which have hit Australia but there is also no doubt that the dampened demand is due to a slowdown in new house construction across Australia.

Through all this, we still believe that timber will continue to be a preferred building material, and the use of timber will grow as the environmental and sustainability attributes of timber become better understood by the wider community. Treated timber is a crucial part in this process.

As always, I hope you enjoy our Compass Newsletter and we look forward to receiving any thoughts and feedback you have.

Elias Akle, GM Osmose Australia

BORACOL

Boracol has been an important part of the Osmose product line for many years being used by dedicated customers for timber bridges and other heavy timber structures as a protective and remedial treatment for decay and insect attack. In recent months there has been renewed interest in Boracol as a result of its use in the treatment of frames and other timber structures affected by the devastating flooding in many areas of Australia. There are 3 grades of Boracol and while the formulations are similar, each one has been created to be most effective for specific situations. To answer common questions and to assist in determining the correct Boracol formulation, Osmose has produced 4 new brochures to assist specifiers and end users. These brochures are available on the Osmose website. For pricing and availability please contact Osmose on 1800 088 809

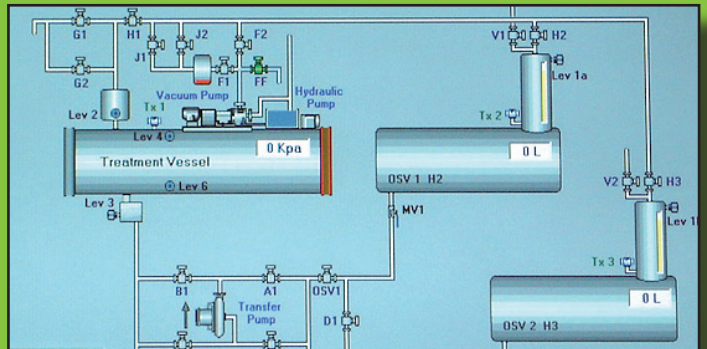


OSMOSE PROCESS CONTROL SYSTEM INSTALLED AT 3 NEW SITES



The Osmose Process Control System (PCS) is a powerful software tool that has been proven to yield benefits in control, efficiency and powerful reporting functions for any treatment plant. In the last few months Osmose has continued to install the PCS

into customer sites and we are pleased to report the installation into Hayters Sawmill in Sydney, Dale & Meyers Tiaro Queensland site and CHH Yarram in Victoria. Feedback from these sites has been very positive and in particular, plant operators have been impressed with increased efficiency, consistency of charges and user friendliness of the system including the ability to get assistance from Osmose specialists who can log into the system via the internet. If you would like to discuss the PCS for your plant please contact your Osmose technical representative.



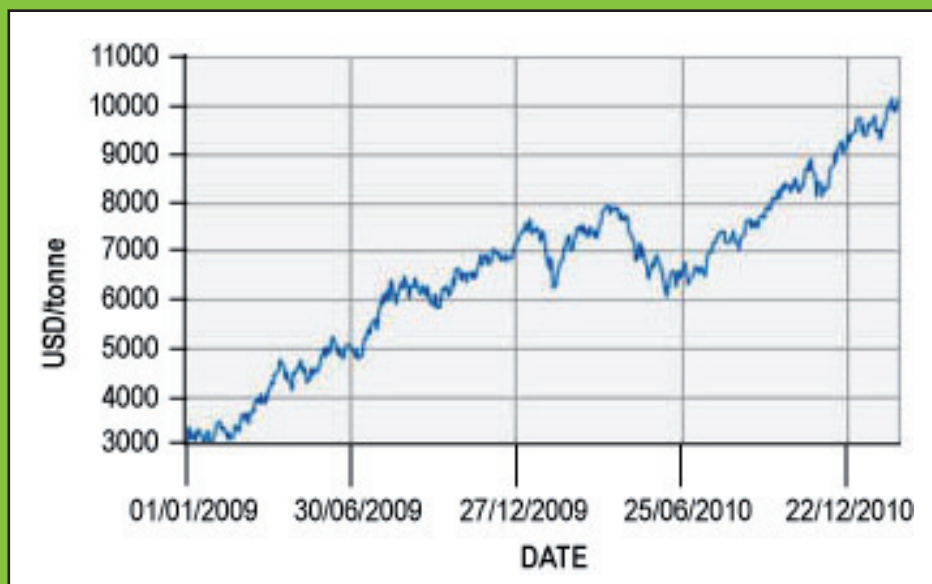
CHARLIE HERBERT

It is with great sadness that we heard the news of Charlie's passing on the 29th of February this year after a short illness. Several Osmose staff members had the pleasure of working with Charlie over the years and have their own remembrances of a man of great knowledge, sense of humour and devotion to the timber industry he loved. In recent years it was great to hear Charlie on ABC radio as one of the "Woodies". There will be much said in memory of Charlie by the timber and related industries and so we simply want to say our condolences to his devoted wife Caroline and their family for their tragic loss.

RAW MATERIAL COSTS CONTINUING TO RISE

Timber treatment companies would no doubt be aware of the current media focus on the resources boom and related rise in the value of metals. A very high proportion of the cost of most treatment chemicals is directly related to the cost of raw materials. Over the last 12 months in particular the cost of these raw materials has increased significantly due to the rise in global base metal prices.

For example the cost of copper has risen by over 50% over the last 12 months as can be seen from the graph below. All indications at this stage are that the price of copper will remain high throughout 2011 and may increase even further – some experts are tipping it will break through US\$12,000 per tonne by mid-year from its current level of approximately US\$9500.



London Metal Exchange web site (www.lme.co.uk)

In addition to increasing copper costs, chromic acid price for 2011 has also increased significantly. Chromic acid accounts for approximately 50% of the raw material cost of an active tonne of CCA Oxide and thus this cost increase also has a significant impact on the total cost of CCA Oxide.

Osmose is continuing to use its global purchasing power and sourcing ability in securing our raw materials at the lowest cost and this will allow us to ensure we get supply and to minimize the volatility in pricing as much as possible however some price movement for CCA in the future appears likely due to these escalating costs.

APVMA CCA NOTICE

The APVMA recently issued an advisory note to the timber industry regarding the apparent inappropriate use of CCA treated timber products in a school environment. The APVMA note stated:

Recently, the APVMA was made aware that a major reseller supplied copper chrome arsenate (CCA) treated timber to schools for use in structures where children are likely to be exposed to the treated wood on a frequent basis.

Such use is contrary to APVMA advice

In 2005, the APVMA recommended that CCA no longer be used to treat timber destined for a range of outdoor uses. These actions were taken to restrict people's exposure to arsenic, particularly children, who could have frequent and intimate contact with such structures. Uses where contact is occasional or unlikely, continue to be permitted, such as for power and telegraph poles, fencing and some structural building uses.

What you need to do

Appropriate information about the use of CCA-treated timber needs to be provided to retailers and resellers to mitigate potential downstream risks from the inappropriate use of CCA-treated timber. This may require provision of advice and information sheets in locations accessible to customers and training of sales staff to answer customers' questions.

Point-of-sale information to consumers is important. Failure to provide appropriate information may lead to the use of CCA-treated timber in places where children are likely to be exposed frequently. Such a situation will only heighten the concerns of the APVMA and other regulatory authorities, and could lead to stricter controls being imposed on the use of CCA for treating timber.

We ask that you carefully read the CCA Information Sheet and consider distributing this information to your members in industry newsletters or other correspondence.



The Timber Preservers Association of Australia (TPAA) has considered the APVMA notice and has responded on behalf of industry, reiterating the industry's commitment to the agreement for the production and distribution of CCA treated timber products and the production and distribution of appropriate information. To download a copy of the industry guide, follow this link: <http://www.tpaa.com.au/files/Industry%20Guide%20-%20CCA%20timber%20TPAA%207-2-06.pdf>.