



The Future is Timber

There aren't too many Australian family-owned businesses operating today that can claim their own history book dating back to 1882. Hyne Timber can.

Images courtesy of Hyne Timber

After the memoir *Hyne-Sight* was printed in 1980, Jon Kleinschmidt made the switch from working in the beverage-manufacturing industry to timber, starting the next chapter for Australia's largest privately owned timber company, Hyne Timber.

Having worked in a variety of industries and locations, Jon's knowledge in the industry is as extensive as his successes. He was able to steer the company through the challenges of the global financial crisis, and moved from the role of general manager, finance and administration, to joint CEO before being appointed as the sole CEO in October 2012.

"The present time is a career high for me," Jon says. "Timber manufacturing and the use of both timber and engineered timber are, without doubt, entering into an innovative construction phase that I'm excited to be a part of. There are architects challenging building codes by using engineered timber as their product of choice for multistorey buildings. Projects such as the Wood Innovation and

Design Centre in the Canadian Province of British Columbia provide six storeys of engineered timber inspiration. Its strong, aesthetically pleasing, high-quality design is flexible, while originating from a renewable, environmentally friendly natural material."

When Australia hosted the Olympic Games in 2000, it marked the start of the new century—and Hyne Timber was a part of that. Its engineered timber contributed to the overall construction of the Sydney Olympic Dome, which was on show to the world. Jon says the country is now on track as the era of engineered timber for larger-scale construction picks up.

"Since the Olympics, Hyne Timber has been contracted to supply columns and trusses for the GHD Auditorium in the Advanced Engineering Building at The University of Queensland. This magnificent building was designed by award-winning architects to provide inspiration to all those who study engineering beneath its timber beams—the engineers of our imminent future. With the standard set high, Hyne Timber has since been contracted for a

similar project at the new University of the Sunshine Coast."

Over its existence, there have been three highly significant advancements at Hyne Timber—the scale of production, the skills employed, and the technology that optimises product quality and efficiency. "With approximately 174 trucks entering and leaving just one of our mills on any given day, partnerships with suppliers such as Richers Transport and Sunchip Transport are longstanding, having grown together through innovation to continue to meet one another's supply-and-demand needs," Jon explains.

"Some people think of the timber industry as lumberjacks in flannel shirts. It is far more progressive and complex than that. We employ mechanical and electrical tradespersons, process operators, machinists, environmental scientists, engineers—not to mention all the support roles required to run a large company, such as HR, finance, safety, and a number of other administrative and supervisory functions. >



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“We pride ourselves in training and developing our staff, offering apprenticeships, traineeships, and professional development opportunities. Hyne Timber aims for, and enjoys the benefits of, high retention rates, maintaining corporate knowledge and expertise. This isn’t something I can claim in my time as CEO. The value placed on the people of Hyne Timber has been a principle from the very beginning in 1882 and, without doubt, has ensured Hyne Timber has survived the industry’s journey.

“As far as technology goes, you could ask any of our employees in the mills and they will tell you all about the advancements, in their time alone. Technology can provide information about a log or a piece of timber that the human eye can’t. This enables us to recognise all the properties, recovering better returns from the resource while supplying the best possible product to meet our customers’ specific needs. From moisture

control to vision scanning, technology enables us to crunch the numbers and process the timber to a level of quality never experienced before.

“We have also made significant capital investments in treatment capabilities to ensure high-quality, treated timber can be produced on a large scale, accompanied by our warranty. Most of our framing product, used primarily for new home construction, is termite resistant as the market increasingly recognises its longer-term cost benefit.”

The environment and the use of plantation timber for construction is a story rarely told, especially in a country dominated by large-scale commercial construction using concrete and steel. With an increasing focus on climate change and continuing debate among the scientists, the production of steel and concrete before construction has even commenced has resulted in significant carbon dioxide

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emissions. A tree is a natural resource that takes in the carbon and locks it up. Hyne Timber processes plantation pine to ensure the timber is renewable and sustainable. All trees are harvested, and then replanting is undertaken and harvested again 30 years later.

The Hyne Timber mills use all the products produced from the plantation pine, resulting in no waste. The bark ends up in potting mix, the chips produced from the sawing process are sold as fibre for the manufacturing of medium-density fibreboard or pulp, and the sawdust is used in kilns to provide energy to dry the timber.

Hyne Timber invests greatly in supporting the community. It prides itself on being a good corporate citizen, particularly in regional areas where it is often one of the largest employers in operation. For example, the small community of Tumbaramba in regional New South Wales has a population of approximately 2,500



people. Hyne Timber employs almost 190 people in this area and, along with the many mill suppliers, subcontractors and their families, it collectively makes up the majority of the community.

The company is the principal sponsor of the annual Tumbafest held in February and the local school’s Kokoda Track expedition every two years, and it has also established a community trust. The trust is managed by regional representatives who make up a board and provides grants every year to not-for-profit organisations so they can develop initiatives and projects that will directly benefit the community. In 2014, a grant of \$80,000 was awarded to the Carcoola Child Care Centre which went towards building a baby-and-toddler area.

While the timber industry is currently enjoying a period of growth, it needs to ensure resilience against a cyclic model directly aligned to domestic building demands. After the global financial crisis hit in 2008, Hyne Timber changed its business focus significantly and restructured to streamline products. It divested to reduce overheads and acted swiftly to focus on core business. Despite the challenges it faced, Hyne Timber emerged successfully and is now selling similar volumes of timber with a significantly reduced cost base.

“We literally had to pick ourselves up, dust ourselves off, and re-group as a team: the One Hyne team,” Jon says. “I introduced a business excellence framework to ensure we have a customer-focused decision-making model with clear strategic objectives and a strong focus on both team and individual goals. We have a renewed focus on the customer and what the market wants, as opposed to simply

manufacturing timber. Our vision is to secure a strategic position of long-term sustainability and be the supply partner of first choice for our customers.

“In recognising that the people are the core of the Hyne Timber business, all employees, including myself, are in the process of undertaking or have successfully completed training towards Certificates III and IV in Competitive Systems and Practices. Our training was recently recognised as a finalist in both the Queensland and New South Wales 2014 Government Training Awards. Our values or fundamental principles are: safety, collaboration, be proactive, be responsible, respect, and honesty.”

Jon says the future of timber and engineered timber as a primary construction material in Australia has a big journey ahead. It relies on partnerships, the support of governments, and innovative designs. •



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