

# Forestry and wood processing sector

Briefing to Incoming Ministers 2023









# Trees and wood – Aotearoa New Zealand’s future

## Jointly produced by:

Forest Growers Levy  
Trust (FGLT)

Bioenergy  
Association

Forest Industry  
Contractors  
Association (FICA)

Forest Industry  
Safety Council (FISC)

Log and Transport  
Industry Safety  
Council (LTISC)

New Zealand Farm  
Forestry Association  
(NZFFA)

New Zealand Forest  
Owners Association  
(NZFOA)

New Zealand  
Institute  
of Forestry (NZIF)

New Zealand Timber  
Industry Federation  
(NZTIF)

Ngā Pou a Tāne

Wood Processors  
and Manufacturers  
Association (WPMA)

# Foreword

There are many reasons why the government should be a strong supporter of the forest and wood processing sector. Such support will generate huge benefits for Aotearoa New Zealand.

The forestry and wood processing sector's Briefing to Incoming Ministers (BIM) is calling for a strategic approach that acknowledges the significance of the forestry sector's contribution to the economy, and the environment, including climate change mitigation, water quality improvement and biodiversity co-benefits.

Forestry occupies a comparatively modest 1.8 million hectares of land but delivers more per hectare than most other rural activities<sup>1</sup>. The potential to do more from a relatively small expansion is significant. In 2023, the forest sector was worth \$6.69 billion in export value<sup>2</sup>. The Ministry for Primary Industries (MPI) highlights the potential to increase forest product export values to \$8 billion by 2030<sup>3</sup>.

Each year the production forest estate in Aotearoa New Zealand sequesters more than half of Aotearoa New Zealand's total carbon emissions. But forestry's contribution to climate change mitigation extends beyond just the absorption of carbon dioxide by trees. Wood products make a vital contribution, generating jobs and regional revenue streams, and wood is core to developing a bio-based circular economy.

The potential for medium to high rise construction from wood, as opposed to carbon-intensive concrete and steel, has yet to be recognised in Aotearoa New Zealand.

France's new RE2020 regulation favours low carbon materials such as wood in construction – owing to its low emissions during manufacture and its ability to store carbon. Sweden has also mandated the consideration of embodied carbon in construction materials. In the United States, the Bipartisan Infrastructure Law includes up to \$12 million USD (approx. \$20.7m NZD) for each of five years to expand the use of wood products.

Our government should recognise, reward and lead by example with construction from wood.

1. <https://www.nzfoa.org.nz/resources/file-libraries-resources/discussion-papers/848-economic-impacts-of-forestry-pwc-report/file>

2. <https://www.mpi.govt.nz/dmsdocument/57298-Situation-and-Outlook-for-Primary-Industries-SOPI-June-2023>

3. <https://www.mpi.govt.nz/dmsdocument/41319-fit-for-a-better-world-background-analysis-on-export-earnings-in-the-primary-sector>



For the sector to realise its potential, policy settings need to be well thought out and provide certainty and equity. The forestry and wood processing sector – and Aotearoa New Zealand’s wider primary industries – has been overwhelmed by regulation change of late. Regulation changes, which seek to constrain afforestation and transfer decisions away from landowners to local government, undermine investor confidence.

As the forestry sector, our aim is to grow a sustainable economy, support communities with jobs and opportunity, to be an exemplar in innovation and heed the call for climate action by creating climate resilient landscapes that empower a circular bioeconomy, and produce high value wood fibre products and services allowing Aotearoa New Zealand to transition to a low carbon, high-value future.



**1.8 million hectares** of plantation forests in New Zealand



**4th biggest export earner** for New Zealand



**40,000 people employed** in forestry and wood processing



**\$291m generated regionally** from cyclists in plantation forests





# Executive summary – five priority requests

## Forestry and wood processing generates huge benefits for Aotearoa New Zealand.

The sector is projected to earn \$8 billion in exports by 2030 and its 1.8 million hectares of plantation forests is currently sequestering more than half the country's carbon emissions.

A wood-based bioeconomy will replace coal and oil, and generate huge regional employment.

The incoming government must restore confidence in forestry and wood processing, or the massive opportunities are likely to be lost.

We have put forward five priority requests to reflect the challenges facing our industry.

## 1. People

### **Our people are the heart of our industry and the fabric of regional communities.**

As forest management becomes more complex, so too does the need for more diverse, highly skilled workers. Government has a pivotal role in facilitating fit-for-purpose industry training and standards and in ensuring the longevity of primary sector employment.

Decreased government support for safety in our forests is jeopardising the health and wellbeing of our workforce. Ongoing assistance from the government, and timely reviews of regulations, are needed to ensure our people remain the priority.

## 2. Climate change

**Plantation forests – and timber use in construction – offer a vital transition to a low carbon economy and climate adaptation.** Encouragement to potential forest investors to provide a carbon sequestration service must be consistent and clear, including setting a minimum exotic planting rate. Consistency and confidence in the New Zealand Emissions Trading Scheme (NZ ETS) is crucial.

We want to work with the government and communities on how forestry can support other primary industries to decarbonise and adapt our practices for a changing climate.

### 3. Forest protection

**Protecting our forests is a priority.**

As climate change becomes a reality, forestry is investing heavily in biosecurity to protect against pests and pathogens that could establish themselves in our exotic and indigenous forests. We are the only sector to invest in a national surveillance system so far.

Support and adequate resources are needed to combat the growing threat of wildfires too, particularly within Fire and Emergency New Zealand.

### 4. Fit for purpose environmental standards

**Resource management reform and the National Environmental Standards for Commercial Forestry** need to be evidence based, recognise the complexities unique to the region and enable responsible forestry and wood processing development with national consistency.

### 5. Market and product diversification

**Overseas investors bring vital capital, expertise, and access to markets.**

They generate significant employment in many regions.

Aligning building standards with Australia is a priority, but opening access to other markets, such as India, is also important and requires government facilitation.

We need more onshore wood processing to add value to our products. Regional development will require faster consenting timeframes to ensure investment opportunities can be maximised.

To diversify wood into more high wage, lucrative products, support for the Industry Transformation Plan from the government for the sector needs to continue.



**We look forward to working with the incoming government** to make these great endeavours successful.



# About the pan sector group

## Bioenergy Association

The Bioenergy Association represents business interested in the utilisation of wood residues for production and use of bioenergy and biofuels. Membership includes forest owners, farm foresters, wood processors, equipment suppliers, researchers, wood fuel suppliers and other business who have a focus on providing a solid biofuel to provide secure energy supply throughout New Zealand. Members also include consultants and large energy users, and other business with a keen interest in long term sourcing of least-cost reliable energy and reducing greenhouse gas emissions. The Association and its members work closely with the forestry and wood processing sector to encourage use of harvest and wood processing residues for obtaining the highest value from wood.



## Forest Industry Contractors Association

Forest Industry Contractors Association (FICA) is a membership-based organisation representing the voice of Aotearoa New Zealand forestry contractors.

Formed in 2002, FICA has approximately 240 member companies and associate members in harvesting, silviculture, civil and roading. FICA partners and works collaboratively with other forestry entities to support the growth, capability and promotion of the forestry industry throughout Aotearoa New Zealand, which demands a significant skilled workforce.





### Forest Industry Safety Council

The Forest Industry Safety Council (FISC) is the forestry sector’s lead health and safety body. FISC is funded by the FGLT, with additional funding for specific initiatives coming from WorkSafe, Accident Compensation Corporation (ACC) and MPI.

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### Log Transport Safety Council

The Log Transport Safety Council (LTSC) enables best practice for log transport and ensures all aspects of the sector are fit for purpose – drivers, equipment, operators, and infrastructure. The organisation provides world-class leadership for the log transport industry, develops best practice industry guidelines and delivers a code of practice that promotes wellbeing solutions in the workplace. LTSC provides a reliable source of accurate industry information through intel gathering, accurate testing, research and development, and develops clear and effective engagement with the wider logging community and forestry sector.

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## New Zealand Farm Forestry Association

The New Zealand Farm Forestry Association (NZFFA) represents people who own, manage, or invest in small-scale private forests and/or are interested in the many values of trees. FFA currently has around 1500 members, representing a good cross-section of the 15,000 entities owning private forests in Aotearoa New Zealand. Small forest owners are managing about 25 percent of the national plantation forest resource, and many have significant areas of indigenous vegetation growing on their land too.



New Zealand Farm Forestry Association  
Oranga Rākau Aotearoa

## New Zealand Forest Owners Association

The New Zealand Forest Owners Association (NZFOA) is the representative body for the commercial plantation forest industry. Of Aotearoa New Zealand's 1.8 million hectares of plantation forests, FOA members are responsible for the management of approximately 1.2 million hectares and about 75 percent of the annual harvest.





### **New Zealand Institute of Forestry**

The New Zealand Institute of Forestry (NZIF) was incorporated in 1929. It has approximately 900 members who are individual forestry professionals. NZIF's objectives are to advance the profession of forestry in Aotearoa New Zealand and to be an independent advocate for forestry. The NZIF members are concerned with the professional management of all forests – plantation, commercial, indigenous, conservation, and protection. They can be found in forestry companies, consulting businesses, research institutes, educational facilities, government departments, local authorities and providers of specialist services, including providing advice on the NZ ETS, the One Billion Trees Fund, establishment (native and exotic), marketing, silviculture, sustainable land use, and all other areas of the forest sector.



### **New Zealand Timber Industry Federation**

The New Zealand Timber Industry Federation has a long and proud history of servicing our country's sawmillers since 1912. Today NZTIF continues to work hard to ensure the nation's sawmillers can continue to produce top quality, environmentally superior wood products. The membership is a special group of committed individuals connected through a culture of cooperation, encouragement, and comradeship. NZTIF is actively involved across all aspects of the industry, including in regulatory matters and standards development, both locally and in Australia through Joint Standards Committees.



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## Ngā Pou a Tāne

Representing in excess of 14,000 members, Ngā Pou a Tāne is a voluntary membership organisation reflecting the aspirations of Māori participating in the entire forestry value chain. Ngā Pou a Tāne's purpose; to advocate and support Māori in forestry, is coupled with providing a collaborative, single voice for Māori with our Treaty Partner, the Crown.



## Wood Processors and Manufacturers Association

The Wood Processors and Manufacturers Association (WPMA) was established in 2014 through a merger of the Wood Processors Association and the Pine Manufacturers' Association. WPMA is a voluntarily funded industry association with a strong focus on promoting wood as the heart of a zero-carbon future economy. Members are leaders in the Aotearoa New Zealand wood industry converting harvested logs into a wide range of products including sawn lumber, pulp, paper, panels, laminated products, mouldings and engineered wood, through to the development of bioenergy solutions.









## The Levy

The Forest Growers Levy Trust (FGLT) was established on 4 March 2013.

FGLT operates under the Commodity Levies Act 1990 to manage industry good activities on behalf of all commercial forest owners in Aotearoa New Zealand. It advances the New Zealand plantation forest industry, both domestically and internationally. It is the body responsible for collecting the harvested wood products levy from forest growers, at a rate of 33 cents per tonne. Forest growers, via the NZFOA and NZFFA, manage the allocation of levy funds to industry-good projects each year.

In 2022, the FGLT invested \$10.85 million into forestry research, development and promotion.









# Forests are foundational for the environment

Despite the socioeconomic, climate and biodiversity benefits plantation forests bring, the emergence of new policy and regulatory measures could constrain operations and investment in forestry, as well as hurting conservation outcomes. The sector needs the government to remove barriers to success.



## Forests improve water quality and hold the land together

Water quality data collected over the past 27 years of monitoring at Lake Taupō Forest shows that forestry operations, including harvest, have not had a detrimental effect.

Land use studies, namely the Pakuratahi Paired Catchment Assessment<sup>4</sup>, have shown net sediment loss is far less from forested catchments, compared with pasture covered land.

Erosion from storms is significantly less where tree canopies protect the land.

Forested catchments flatten the storm curve. High resolution data collected from Mahurangi Forest during Cyclones Hale and Gabrielle confirms this. That data shows that nearly 60 percent of the rainfall during those storms was stored within the forest, rather than flowing immediately across the ground and into waterways. The forest catchment was acting as a sponge, holding on to water that would otherwise have added to flooding downstream.<sup>5</sup>

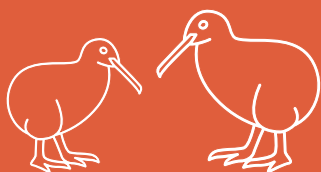
4. <https://natlib.govt.nz/records/20438808?search%5Bpath%5D=items&search%5Btext%5D=Pakuratahi+Forest>

5. <https://www.scionresearch.com/about-us/news-and-events/news/2023-news-and-media-releases/forest-sponges-new-research-reveals-how-forests-absorb-water-in-extreme-weather-events>



## Nature thrives in well-managed pine forests

It is a common misconception that pine forests are a biodiversity desert. The converse is true. Pine forests provide valuable habitat and food for many of our native birds, bats, reptiles and insects. NZFOA has developed a number of rare species guides<sup>6</sup> (and is in the process of developing more) which provide guidance on how to safely manage the many species that thrive in pine forests.



With more food and fewer predators, our biodiversity including kiwi loves pine forests. **5ha of pine forest can support a pair of kiwi.** Conversely, 10ha of native forest is required to support a pair of kiwi.

(Save the Kiwi).

## Indigenous forest reserves

Forest owners manage, protect and enhance a matrix of indigenous habitats within the production forestry estate. Approximately 175,000 hectares of indigenous vegetation is managed in riparian areas, wetlands, indigenous forest remnants and regenerating bush.

Of the 1.8 million hectares of production forestry in Aotearoa New Zealand, 1.1 million hectares are independently certified as being environmentally and socially ethical by the Forest Stewardship Council<sup>7</sup> (FSC) or by the Programme for the Endorsement of Forest Certification (PEFC).

To meet FSC requirements, 10 percent of a forest owner's total estate must comprise native reserve. Forest owners are knowledge holders on tree establishment and are proactively working to restore native tree areas in Aotearoa New Zealand.



6. <https://rarespecies.nzfoa.org.nz/>

7. <https://fsc.org/en>

### National Environmental Standard for Commercial Forestry

Led by the Ministry for the Environment (MfE) and MPI, the National Environmental Standard for Plantation Forestry (NES-PF) was developed over nine years with input from local authorities, industry and environmental groups.

The NES-PF has generated consistency of approach across the country while allowing councils to be more stringent where it is justified. The NES-PF was written for forests intended for harvest.

In the two weeks leading up to the election, the NES-PF was replaced with the National Environmental Standard for Commercial Forestry (NES-CF) which came into force on 2 November.

The NES-CF will now capture the management of carbon forests alongside production forestry. The industry generally supports regulations which regulate the risks associated with the management of land in carbon forests. However, we would have preferred separate regulations to ensure that the two quite different regimes are not confused. The new regulations, under the NES-CF, were rushed into gazetting ahead of the election.

The sector is concerned that the NES-CF has been gazetted without adequate levels of cost benefit analysis and impact assessment, especially in relation to the new limitations on slash.

### Resource Management Act reform

The Resource Management Act (RMA) is no longer fit for purpose for many of Aotearoa New Zealand's primary industries. A new approach is warranted. But the current review and proposed Natural and Built Environment Act (NBEA) is insufficiently defined, and consultation has been rushed. Implementing such a vague framework risks years spent on legal challenges to determine case law.





**The sector is seeking:**

- Robust, transparent cost benefit analysis on all parts of the regulatory change process.
- Review the Natural and Built Environment Act 2023, as it has missed the mark on the stated objective to streamline and simplify resource management processes.
- Fair consultation which follows due process.
- The opportunity to work with MfE on the implementation for councils of the new NES-CF and the opportunity to make adjustments.
- We want to work with government agencies on the implementation of the newly gazetted National Policy Statement on Indigenous Biodiversity (NPS-IB) to ensure that councils understand the intent.

**The sector is seeking:**

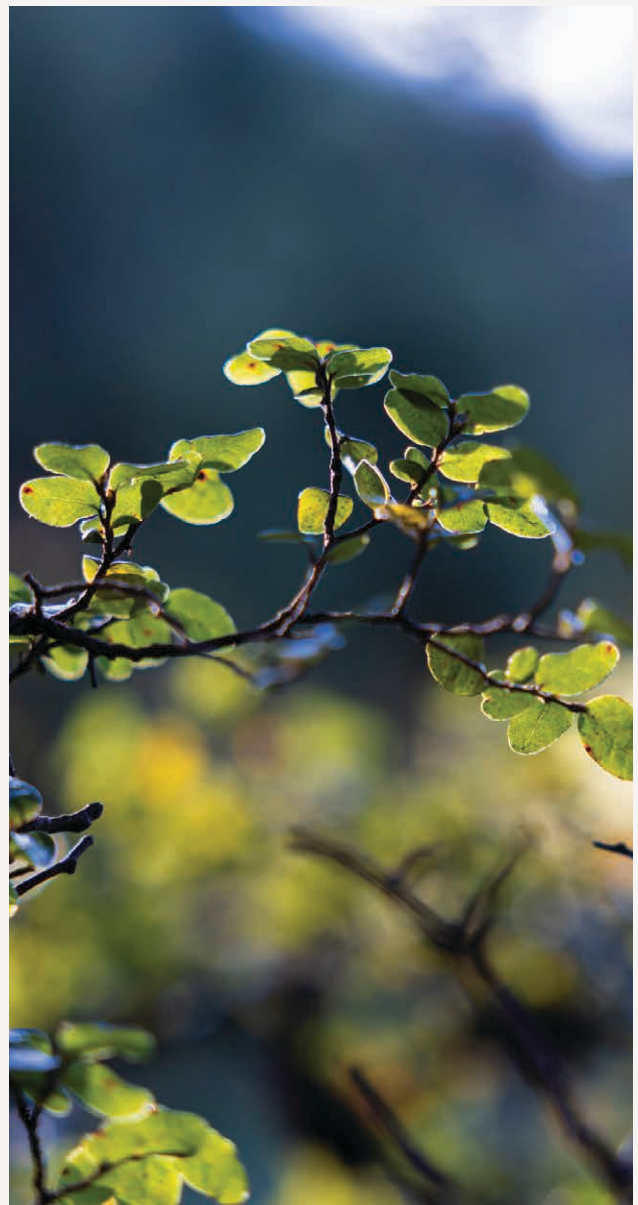
- Forest companies undertake significant biodiversity work that contributes to and achieves conservation outcomes that benefit all. As such, we ask that these government agencies and councils develop plans that do not penalise forest owners for biodiversity efforts under the newly gazetted NPS-IB, rather, help them to enhance it.
- Nuanced and considered native tree planting based on scientifically robust methodologies. We should not be blanket planting native trees hastily, without the full consideration required to ensure that native trees are established successfully without generating greater perverse outcomes for the environment.
- Research to understand the time it takes for native trees to grow sufficiently to hold the soil together.

### The sector is seeking:

- Development of a biodiversity credit system informed by the learnings of from the NZ ETS development but not conflated with the NZ ETS
  - Develop a system that runs in parallel, but separately to the NZ ETS, to incentivise native tree establishment and recognise biodiversity attributes across all landscapes.
  - If a long-term biodiversity credit market is created, government must ensure that the costs of running the system will not be absorbed by the parties providing biodiversity services in the future. A biodiversity credit system would be a public good scheme with the cost borne by those creating it.



Of the 1.8m ha of production forestry, **1.1m ha is independently certified by either FSC or PEFC.** Certification requires forest owners to meet high social and environmental standards.







**Plantation forests currently absorb more than half of Aotearoa New Zealand's total carbon emissions.** That's more than 21 million tonnes of CO<sub>2</sub> every year.



# Climate resilience

## Stability of the New Zealand Emissions Trading Scheme

The NZ ETS was designed to capture all sectors and all gases and has been the main tool for reducing greenhouse gas emissions over the past 15 years<sup>8</sup>.

The NZ ETS is still in its infancy compared to the rotation of a pine forest. Therefore it is still bedding in.

Despite this, forestry participants have experienced almost continual change in NZ ETS settings since its inception. The forest sector needs government to provide a stable platform and the certainty required to build consistent supply to benefit the workforce, the processing industry and the ramping up of a bioeconomy.

We want the government to cease all regulatory changes to the NZ ETS, due to the misplaced political and academic nature of the reasons given for reform. The rationale for changes does not make sense in the face of a climate emergency. The continuing politically motivated protectionism of the farming sector is unacceptable.

Aotearoa New Zealand should not jeopardise progress on reducing its emissions. We acknowledge offsetting is a transition measure, but equally we must not undershoot on planting trees.

Proposals from the new government to variously constrain entitlements to forestry units are premature and will make the difficult task of achieving our Nationally Determined Contribution (NDC) even harder. Purchasing of offshore units and the associated impact on the taxpayer will be both deeply unpopular and highly risky.

Advice from the Climate Change Commission (CCC) on the role of forestry is unspecific and includes mixed messaging. The forestry sector calls upon the government to provide guidance on the role it wants forestry to play in achieving budgets and targets.

Aotearoa New Zealand's climate and emissions policies must be designed to pursue a least-cost pathway to achieve a low emissions economy. Forestry and wood processing are central to that pathway.

### The sector is seeking:

- Bipartisan commitment to stable NZ ETS settings. This is important for both forest and wood processing investors as well as emitters. Maintaining as much consistency of signal as possible will be crucial for retaining long term investors.
- Clearly set out minimum planting area expectations from the government.

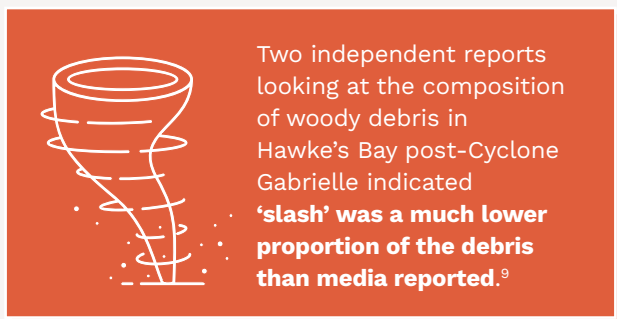
8. <https://www.motu.nz/our-research/environment-and-resources/emission-mitigation/shaping-new-zealands-low-emissions-future/major-milestones-of-the-new-zealand-emissions-trading-scheme/>



## Adaptation

Aotearoa New Zealand's primary industries have been, and will continue to be, heavily affected by the increase in severe weather brought about by climate change. With adverse weather comes an increased risk of landslides, windthrow, fire and biosecurity incursions.

Forestry and farming need government support to explore adaptation options that allow us to respond effectively and economically to such events.



## Cyclone Gabrielle

Between 12 and 14 February 2023, Cyclone Gabrielle pounded the north of the North Island. The intensity of Cyclone Gabrielle was unprecedented. Peak rainfall intensities were twice that of Cyclone Bola in 1988. The National Institute of Water and Atmospheric Research (NIWA) attributed its intensity to climate change<sup>10</sup>. Studies have estimated that 300 million tonnes of sediment was mobilised during Cyclone Gabrielle at an estimated economic impact of \$1.5b<sup>11</sup>.

Aotearoa New Zealand is now experiencing a climate crisis in measurable, real terms. Councils around Aotearoa New Zealand are declaring climate emergencies. And while we wait for technologies to improve and behaviour patterns to shift, we must rely on trees to transition Aotearoa New Zealand to a low carbon future.

Some of the Gisborne District Council options, following the Ministerial Inquiry into land use in Tairāwhiti, are more emotional than scientific. These options threaten the viability of forestry in the region if implemented.

The Tairāwhiti economy is more than twice as dependent on forestry than anywhere else.<sup>12</sup> The incoming government needs to be aware that there is no easy or quick fix.

9. Source: <https://www.hbforestrygroup.co.nz/wp-content/uploads/2023/04/Cyclone-Gabrielle-Post-Event-Woody-Debris-Assessment-Hawkes-Bay-2023-2.pdf> and <https://www.hbrc.govt.nz/assets/Document-Library/Cyclone-Gabrielle/Post-Cyclone-Gabrielle-2023-large-woody-debris-assessment-31.03.2023-FINAL-v1.pdf>

10. <https://www.rnz.co.nz/news/national/485990/niwa-scientist-in-no-doubt-climate-change-behind-cyclone-gabrielle-s-intensity#:~:text=Niwa%20scientist%20in%20no%20doubt%20climate%20change%20behind%20Cyclone%20Gabrielle's%20intensity,-8%3A33%20am&text=A%20group%20of%20local%20and,lives%20and%20wrought%20massive%20destruction>

11. <https://environment.govt.nz/news/report-provides-useful-data-about-east-coast-landslides>

12. <https://www.nzfoa.org.nz/resources/file-libraries-resources/discussion-papers/602-nzierreport-2017/file>

The sector is committed to making meaningful change to reduce its impact and improve its resilience against future climate change. Gabrielle has offered valuable lessons for us all and in the case of Tairāwhiti-Gisborne, it is that there is no silver bullet solution. The onus has been placed on plantation forestry, whereas solutions must really look to address a legacy issue of highly erodible land and continued land use problems. The evidence does not support reducing afforestation to protect farming where the damage is perhaps less visible, but far more insidious.

We must consider and incentivise pathways to transition from production forests to permanent forests to provide climate resilient landscapes, while also understanding the economic impacts such transitions and solutions could have on communities.



The forestry sector has a greater proportion of Māori interests than other sectors, **30-40% of forests are owned by Māori.**







The forestry sector  
**contributes \$11 million**  
**each year towards fire**  
**protection costs.**

# Forest protection

## Healthy biosecurity track record

The forest industry has had a long history in forest health and protection. It has long invested in biosecurity science and research to improve our understanding of biosecurity risks both within Aotearoa New Zealand and offshore; and to improve forest biosecurity practices with the aim of reducing biosecurity risk and protecting market access.

The industry has been well served by a strong biosecurity and forest health science capability at Crown Research Institute Scion, and has an extensive and comprehensive national forest health and biosecurity surveillance programme. Our sector is the only primary industry that invests in a national surveillance system which aims to detect new biosecurity threats early and demonstrate pest or pathogen freedom to support Aotearoa New Zealand's market access.

## Investment in fire mitigation

The forestry industry invests \$11m into fire protection operational costs and to the overall readiness of the rural fire sector. The sector also provides workers and equipment, substantially increasing the resources Fire and Emergency New Zealand (FENZ) has available for effective fire suppression and extending FENZ national response coverage.

### The sector is seeking:

→ A much greater investment from government in protecting our native and plantation forest estate from biosecurity threats and to work collaboratively with the plantation forestry sector to maximise our shared investment and interest in protecting our forests (native, exotic, urban and amenity). A key concern we have as a sector, is Aotearoa New Zealand's ability and willingness to effectively respond to a significant pest or pathogen incursion in the urban environment. This is where pests or pathogens are most likely to arrive and establish in before invading our native and productive landscapes.

### The sector is seeking:

→ A stronger focus on rural fire management by FENZ and recognition of the core role the forestry sector plays in:

- Rural fire response capability and;
- Supporting FENZ in delivering its mandated responsibilities.





Production forestry **earns nearly three times more** per hectare in exports and **employs twice as many people** per hectare than sheep and beef farming.

# People

The forestry and wood processing sector supply chain is manned by a diverse group of workers with highly technical skillsets. They are the fabric of both our sector and many regional communities. Supporting and training our people will be critical for the sector's success.

## Labour

The speed of technological advances is being felt acutely in the forestry and wood processing workforce. There is a demand for greater skills to operate increasingly sophisticated machinery. But equally, demand exists in other industries which forestry and wood processing workers are migrating to.

Furthermore, media coverage of the recent cyclones has eroded the sector's social license to operate and workers on the ground are often confronted with the public's backlash and misconceptions of forestry. The combined issues have compounded to create a workforce shortage.

### The sector is seeking:

- Partnership with government agencies to promote forestry and wood processing roles as a lucrative, rewarding career option in the primary industries.
- The government has a role in contributing funding to the future skills development needed by the workforce.
- We need access to staff overseas to fill the gap. Simplification of the Accredited Employer Work Visa Scheme will make it easier for business to compete and grow in international markets.





## Health and safety

The Forest Industry Safety Council (FISC) is the forestry sector's lead health and safety body. FISC was a recommendation of the Independent Forestry Safety Review in 2014, which was commissioned after 19 forestry worker fatalities between 2012 and 2013.

The human toll, failure of the government regulator to prosecute, high profile private prosecutions (and political pressure brought by Helen Kelly and the New Zealand Council of Trade Unions) all contributed to pressure on forestry's social licence to operate.

FISC runs the Safetree Certification scheme for Contractors and Workers and works with stakeholders across the forestry supply chain to reduce fatalities and injuries.

FISC is funded by the FGLT, with additional funding for specific initiatives coming from WorkSafe and MPI. The ACC funding contract for FISC expired in 2022, and funding is not available under their current funding model. The FGLT has indicated a cut of 11 percent to FISC's budget in 2024, while MPI funding was for a specific Cyclone relief contract. WorkSafe funding is also under review.

The outlook for forestry-specific health and safety is currently uncertain.

## Government agency resources

WorkSafe is our industry regulator. The forestry sector has been reliant on availability of inspectors and their funding to support the industry with health and safety goals and aspirations.

The Approved Code of Practice (ACOP) is an 11-year-old document owned by WorkSafe that's only recently come under review. The industry needs to be assured engagement with the process, communications and expediency of the re-write is a priority to move the health and safety environment into a fit-for-purpose state.

A similar concern lies with the Plant Structures and Working at Heights Regulatory Review which has been delayed. While industry works to the current standards, there are often grey areas that create confusion. Limited resources and tightening budgets within government departments create additional risks and costs to the forestry and wood processing sector.



## Training and education

Parts of the industry are moving quickly to mechanisation – reducing the number of workers and changing the skill sets required. Entirely new jobs (i.e., bioenergy, remote control, IT and machine computer programming) will require different ways of working and training.

### One training voice for forestry

There are a large number of entities involved in industry training. Each entity tends to have very limited knowledge outside their immediate sphere. Yet the training environment needs to be managed as a whole, not as individual components. The Training & Careers Committee (TCC) of NZFOA/NZFFA, along with FICA and TUR have identified the need for a forest industry entity or advocate to act as one voice for the forest industry to the training providers to provide direction, guidance and oversight to ensure training is fit for purpose, targeted and delivered effectively.

The problem to resolve comes with opportunity for forestry to establish a one stop shop as the current Reform of Vocational Education (RoVE) rollout has been fraught with financial overspend, ongoing restructuring and changing management.

The evolution of Te Pukenga has the challenge of meeting the training needs of learners and the industry. There is a risk that the entities do not listen to industry, they do not have the resource for industry to engage, or advice from industry is biased or incorrect. It could also mean the final system does not deliver, or is significantly delayed, so we end up with the potential for no specifically skilled people trained to align with the industry needs.

There is an urgent need for a strong, well-resourced forest industry voice to articulate training requirements and outcomes with the training providers.



**There are 40,835 FTEs throughout the forestry sector supply chain** in both urban and rural Aotearoa New Zealand.





Aotearoa New Zealand's production forests are abundant and versatile. The sector is New Zealand's fourth largest export earner, with the potential to **increase export value to between \$12 and \$19 billion**<sup>13</sup>

# Trade

## Overseas investment brings benefits to New Zealanders

Overseas ownership of forests, land or businesses is a privilege to be earned by its benefit to Aotearoa New Zealand. There is simply not enough capital in Aotearoa New Zealand for us to achieve our growth ambitions.

As long as there is a net benefit to Aotearoa New Zealand, foreign investment should be welcome and recognised for the onshore growth it generates. Foreign companies invest in both Aotearoa New Zealand's growing and its processing and are committed to increased onshore investment and the development of domestic processing capacity. Many of these overseas companies play a vital role in supporting the regional communities they establish themselves in. The government should work with them to build upon their investments.

### The sector is seeking:

- An Overseas Investment Office (OIO) which fairly considers the social, economic and environmental benefits of production forestry.
- Negotiations with Australia on adopting common structural timber grades across both jurisdictions that will allow increased and more streamlined access for Aotearoa New Zealand forest growers and wood processors to Australian markets. Australia is our closest market and already understands and accepts the structural properties of radiata pine.

13. Source: <https://bpb-ap-se2.wpmucdn.com/blogs.auckland.ac.nz/dist/f/612/files/2023/10/Potential-Value-of-Bio-Products-from-Forests-October-2023-pdf-Brian.pdf>





# Innovation

## Transforming to a circular economy

The forest and wood processing industry's potential to contribute more to the economy is recognised in the Industry Transformation Plan (ITP). Not only do we have the potential to get more value from our forests, but those forests and the timber from them can help decarbonise the New Zealand economy and create more high wage, low emissions jobs.



Aotearoa New Zealand's plantation forests hold an important economic and recreational role for regional communities. **Approximately \$291 million was spent in regions where plantation forests were used by bike tourists.** They bring health benefits for the local residents biking in these forests too – to the value of \$130 million each year.<sup>14</sup>



14. <https://www.benjepatterson.co.nz/wp-content/uploads/2023/05/Economic-impacts-of-mountain-biking-in-production-forests-in-New-Zealand.pdf>



## The bioeconomy

Biomass energy to replace coal-powered industrial heat, as well as biofuels for vehicles, are critical components of Aotearoa New Zealand's climate change response.

Developing biomaterials to replace environmentally damaging products such as plastics will also be key in transitioning to a low-impact future.

To ensure the demands for biomass can be fulfilled, additional supplies of wood chip and residues need to be secured. Investment in additional sawmills, altering silvicultural practices (shorter growing time), and extracting slash and woody waste from forests, would all help in achieving greater biomass supply.

The most cost-effective, scale, and consistent source of residues for these industries – as well as the pulp, paper and packaging industry – is sawmill residue. By increasing the investment in wood processing, this in turn will generate the additional biomass required for bioenergy, biomass and pulp production.

### The sector is seeking:

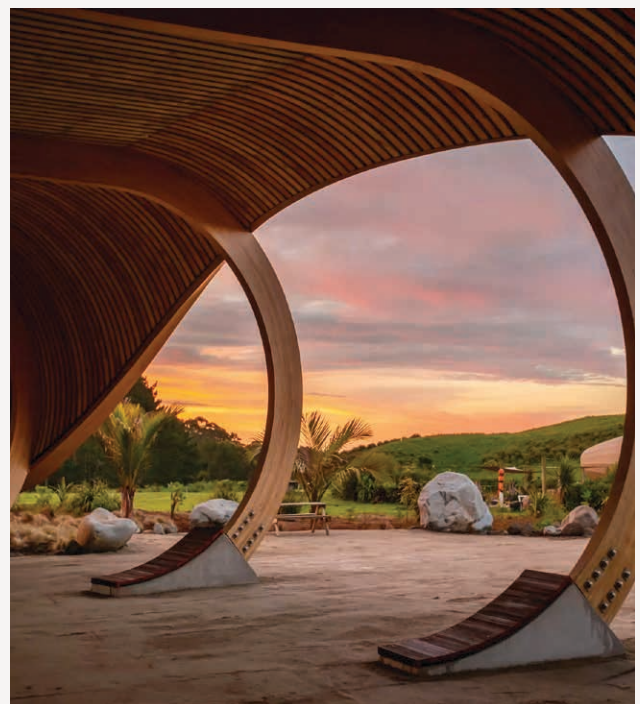
- Support from the government for the continuation of the ITP actions and goals alongside support from the sector.
- Greater capture of the whole value of harvested trees through the development of the bioeconomy. This includes:
  - Simplified consenting for projects with climate benefits such as increased wood processing for long lived products;
  - Support for R&D targeted to the development of sustainable manufactured products that displace high emissions alternatives; and
  - Government support to operationalise biofuel plants, including development of a biofuel market.

### Tree diversification

The forests of 2050 are expected to exhibit greater species and genetic diversity and a reduced reliance on large coupe clear-felling, be more site-specific, use precision silviculture, and produce a more varied range of products feeding into a diversified, thriving forest-based bioeconomy.

To achieve this, the sector will need support on the following:

- Adoption of a governmental “Wood First” programme, where government projects should use timber as the default position.
- Assistance with streamlining of Timber Standards process which is presently time consuming, clunky and a barrier to use of innovative products and methods.
- Implementation of a long awaited Long Lasting Harvested Wood Products scheme to return benefits of a secondary income stream to wood processors in recognition of the carbon sequestered in wood products. This single action will assist in the continued investment in the wood processing sector, and benefit Aotearoa New Zealand as we see the continued use of timber products in building sequestering more carbon helping to meet our climate change commitments.
- Government procurement to prioritise the utilisation of timber and low emissions materials in building projects.



Bottom image: Charlotte Curd











