

Transforming Forestry and Wood Processing in New Zealand

Consulting on Te Ara Whakahou – Ahumahi Ngahere –
Draft Industry Transformation Plan



Who are we?

Te Uru Rākau –
New Zealand Forest Service
is a part of the Ministry for
Primary Industries

Ministry for Primary Industries
Manatū Ahu Matua



Te Uru Rākau aims to
support the forestry and wood
processing sector through
the administration of

- the ETS, 1 Billion Trees fund
the development of the ITP
- supporting climate change
initiatives
- working with Māori on
land development

Introducing our
team today

Elizabeth Heeg

Director Forestry System



Merewyn Groom

Principal Advisor Sector and Bioeconomy



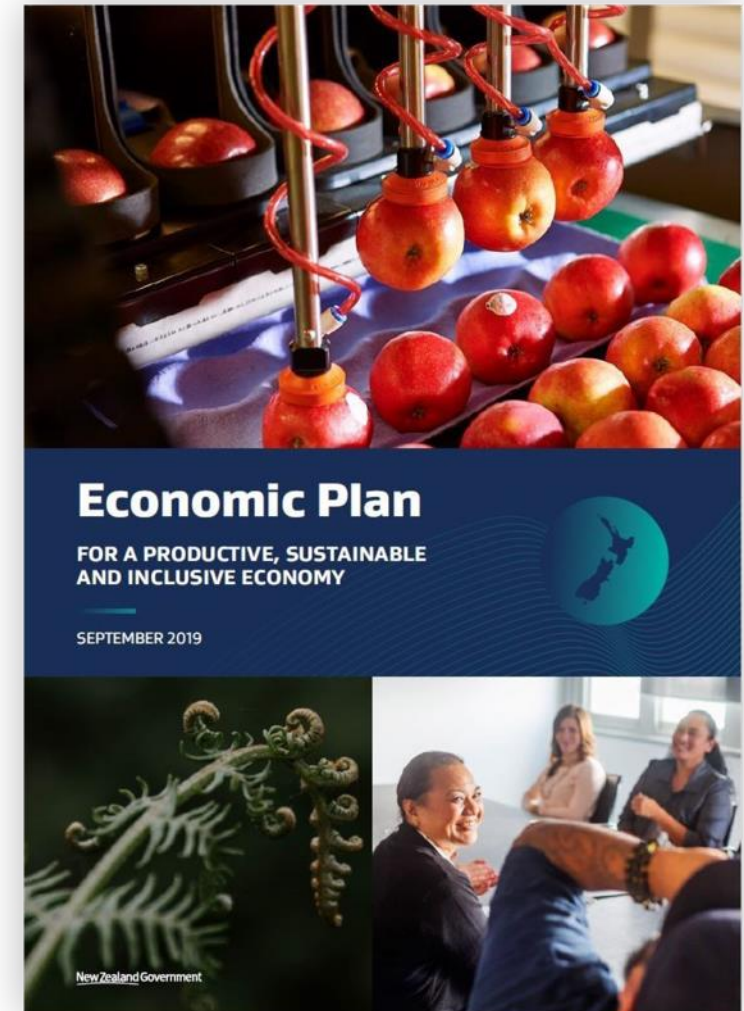
We're running a consultation process on the draft ITP

Today's session will cover

10mins	20mins	20mins	10mins
Intro	Presentation on the ITP	Discussion and questions	Wrap up and next steps

What is an ITP?

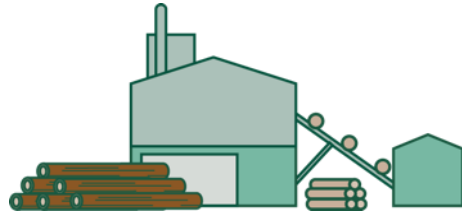
- “ITP” stands for Industry Transformation Plan
- Government’s plan to create a productive, sustainable, low emissions economy with high wage jobs
- There are eight ITPs across the economy



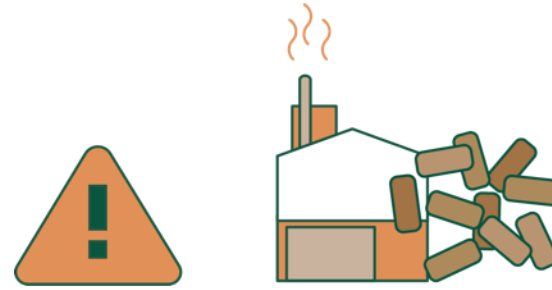
This ITP



Developed in partnership with an ITP Advisory Group



Highlights the importance of the forestry and wood processing sector



Identifies challenges and opportunities to increase the value the sector generates for NZ



Proposes a vision for the future of the sector and a suite of actions to transform the sector

Challenges faced by the sector

- ⚠ Wood processing capacity static since 2000
- ⚠ Heavily reliant on one tree species
- ⚠ Highly concentrated export markets & static value-add exports
- ⚠ Tax and financial settings affecting international competitiveness
- ⚠ Log markets volatile in price and supply
- ⚠ Harvest volumes at a peak



Opportunities for transformation



Mid-rise buildings



Bio-pharmaceuticals



Solid biofuel



Liquid biofuels

The vision for transformation

The sector generates more value for New Zealand, is a key pillar of our regional communities, and underpins New Zealand's low-emissions economy.

Unlock the full potential of our forests

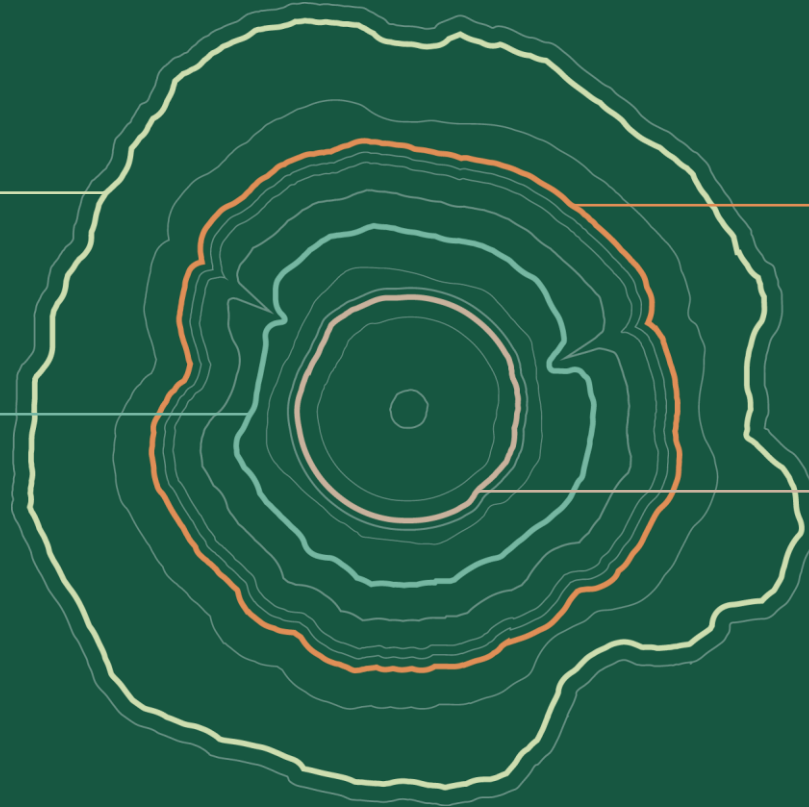
Process more logs and residues onshore, increase our production of value-added wood products, and enable the growing forest-bioeconomy.



Four key focus areas for action

Growing sustainable forests for our future

Growing and diversifying domestic and export markets



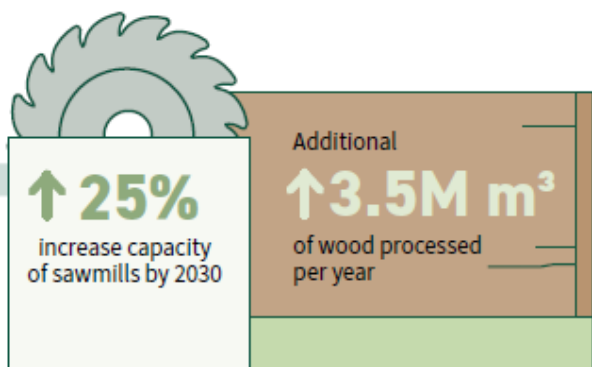
Modernising and expanding the wood processing sector

Improving system settings for a thriving sector

Proposed goals

Domestic wood processing

Significant scaling up of capacity



Woody biomass



Processing more wood will increase residues

Additional ↑ 1.5M m³ of wood-processing residues per annum, by 2040.

Decarbonisation of process heat

Replacing coal with solid biofuels

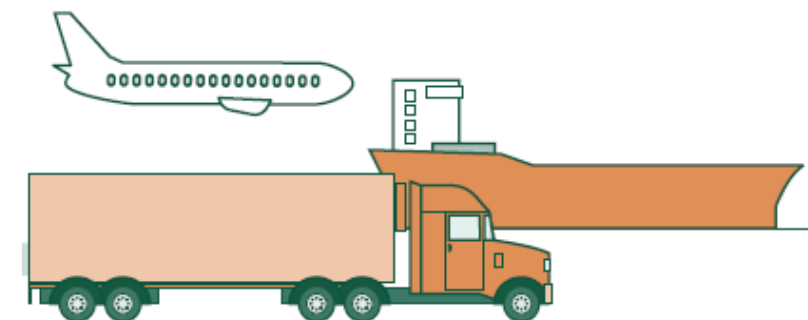
16.4M tonnes

of wood pellets replace 9.2M tonnes of coal by 2050



Decarbonising transport

8.9B litres of liquid fuels made from 49.3M m³ of woody biomass to support decarbonisation in the transport sector, particularly for aviation, maritime and heavy road transport





Growing sustainable forests for our future

1

Improving the productivity of our forests

2

Diversify our productive forests to build sector resilience

3

Increase use of woody biomass to produce high-value products and fuels



Modernising and expanding the wood processing sector

4

Grow investment to increase manufacturing of advanced wood-based products for building, biotech and fuels

5

Support sector co-location, collaboration, and sustainability

6

Improve trading and transparency of markets for logs and woody biomass



**Growing and
diversifying domestic
and export markets**



Grow domestic demand
for our wood products



Grow and diversify
export markets



Improving system settings for a thriving sector

9

Support Māori aspirations in the sector

10

Create a strong and collaborative sector

11

Grow and attract the future workforce

12

Drive science and innovation across the sector

13

Provide sector insights to lift performance and innovation

Questions & discussion

Actions

4.2 **Improve financial incentives**

The Government will consider what is the appropriate mix of financial incentives and measures to spur industry investment in advanced wood processing and bio-product plants and technologies and ways to reduce the cost and risk of investment. This includes accelerated depreciation, business growth funds, investment grants and loans, and finance sector risk weightings.

Actions

4.5 **Provide information to support investment**

The Government will work with local government and industry organisations to support investors to access information and insights critical to investment decision making.

As part of this the government will commission and publish investment cases for wood processing, biofuel facilities, and alternative and innovative wood products, such as biofuels, biopharmaceuticals, and engineered timber products.

Actions

4.6 Attract and facilitate new investment in the bioeconomy and advanced processing

The Government will explore ways to attract and facilitate new investment in advanced wood processing and bioeconomy manufacturing to accelerate deployment of capital.

Next online session

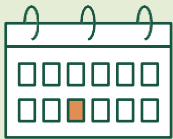
Growing and diversifying domestic and export markets/Improving system settings for a thriving sector

Wednesday 14 September
10.30am to 11.30am

To attend please register on our website

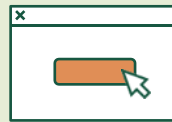
The consultation process and giving feedback on the ITP

The consultation process will run until

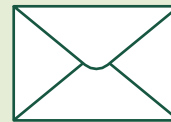


the end of
September

You can provide written feedback by



filling out a
survey on
our website



emailing
our team

After the consultation process



we'll look to
incorporate feedback
and publish the final