

Summary of the draft Industry Transformation Plan for Forestry and Wood Processing

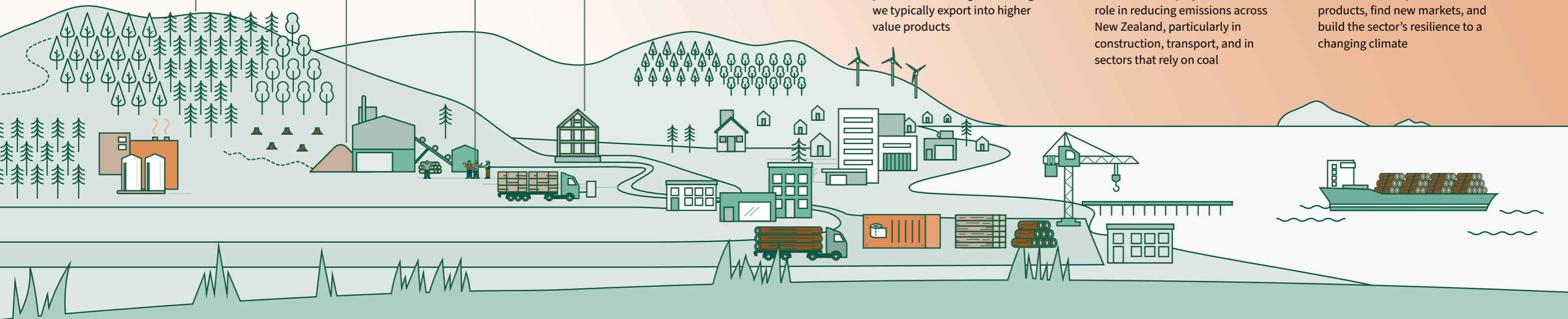


Vision for the sector

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

Outcomes

- Is sustainable and supports biodiversity
- High productivity and value
- Thriving people and places
- Underpins a low emissions economy



Key change

Process more logs and wood residues onshore to produce more value-added wood products and enable the growing bioeconomy

Opportunities

- The response to climate change is increasing the demand for sustainable and low-emissions wood products globally and domestically
- New technologies mean we can process the lower grades of logs we typically export into higher value products
- Growing wood processing will create more high paid jobs in the regions, support economic growth, and produce greater amounts of woody residues
- Wood fibre can play a critical role in reducing emissions across New Zealand, particularly in construction, transport, and in sectors that rely on coal
- What we can make from wood fibre is rapidly expanding, which includes biochemicals, bioplastics, and biopharmaceuticals
- Diversifying our plantation forests will enable us to produce new products, find new markets, and build the sector's resilience to a changing climate



Challenges

- Over the last decade the number of logs harvested has doubled, while the capacity for processing wood domestically has stayed the same
- New Zealand's investment environment for wood processing is not internationally competitive
- Māori face barriers within the sector, such as access to capital and aggregation opportunities
- Wages are low, skilled workers are difficult to attract, and there's room to improve health and safety
- The sector predominantly relies on a single species, a narrow range of products and export markets, which poses risks to the sector's future sustainability and resilience
- Some wood processors lack certainty of log supply, which limits new investment and expansion
- The sector often struggles to speak with a single voice and tackle sector-wide issues collectively

Key priority areas for change

Growing sustainable forests for our future

- Improving the productivity of our forests
- Diversify our productive forests to build sector resilience
- Increase use of woody biomass to produce high-value products and fuels

Growing and diversifying domestic and export markets

- Grow domestic demand for our wood products
- Grow and diversify export markets

Modernising and expanding the wood processing sector

- Grow investment to increase manufacturing of advanced wood-based products for building, biotech and fuels
- Support sector co-location, collaboration and sustainability
- Improve trading and transparency of markets for logs and woody biomass

Improving system settings for a thriving sector

- Support Māori aspirations in the sector
- Create a strong and collaborative sector
- Grow and attract the future workforce
- Drive science and innovation across the sector
- Provide sector insights to lift performance and innovation

