

Road rates discriminate

A trend by district councils to put rates surcharges on land in plantation forestry is being labelled as unfair and unjustified by forest owners.

The surcharges are being imposed to meet the alleged additional costs of making roads suitable for log trucks. But consultants Frame Group have concluded that over a 25 year growing period, forestry makes similar use of rural roads to horticulture and beef, and much less use than dairy.

In addition, the government has provided councils in Northland and the East Coast with special funding to finance roading in areas where new forests are coming 'on stream'.

"The findings of the Frame report have not been seriously challenged by any district council," says NZFOA chief executive Rob McLagan.

The Association is now considering a number of options for challenging differential rating schemes which discriminate against forestry.

"Our obvious preference is to talk or negotiate. But the sums of money involved in rating surcharges are so great, we cannot rule out legal action," McLagan says.

Gisborne District Council has gone ahead with a differential rating scheme which applies a weighting factor of 4 to land in forestry. Horticulture and pastoral farming pay a weighting of 1.5.

Southland District Council has also imposed a differential rate in which pastoral farming pays a weighting of 1, dairy 1.5, forestry 2.5 and industrial 4.

Forest owners say councils have, over many years, siphoned off the roading rates paid by forest owners to fund other activities.

One forest manager said a typical 5000 ha forestry block on the East Coast would attract about \$58,750 in rates. Over 25 years, allowing for 5 per cent compound interest, this would amount to \$2.94 million.

"For 24 of those 25 years, we make little use of the roads – the odd ute or 4WD is about the extent of it – so when it comes to harvest, it is reasonable to expect that the council will provide us with the roads we have been paying for."



Councils are siphoning off roading rates and using them for other purposes while trees are growing

Anomalies

McLagan says differential rating is rife with anomalies.

"Neighbouring councils often have very different rating formulas. In some areas, dairying – which makes much greater use of roads than either pastoral farming or forestry – pays a rating premium. In other districts it pays less than forestry and more than pastoral; and in others all three industries pay the same," he says.

"No councils appear to differentiate between types of forest, even though the roading needs for eucalypts on a 15-year harvest cycle are very different to radiata on 25-30 years and Douglas-fir on 90 years, and forests bordering a State Highway make no demands on district roads."

Gisborne District Council corporate affairs manager Douglas Birt says the council reformed its rating system in 2002/03. It changed from land value to capital value,

geographical road rating zones were eliminated, and the council's 78 'activities' were reassessed to find out the fairest way to charge for them.

In the end, the council came up with a loading for forestry of 2. But this would have meant that farmers would have paid more rates per dollar of capital value than they had under the land value system. Foresters would have paid less.

The solution, he says, was to increase the weighting paid by forestry to 4, so the sector paid the same total rate as had paid under the previous LV rating system.

This year, the council has increased its pastoral farming ratio to 1.5 – the same as horticulture. As a result, the roading rate for pastoral farming has increased by 41 per cent and the roading rate for other sectors, including forestry, has decreased by 6 per cent for 2004/05.

Council triple-dips

While welcoming this reduction in forestry's share of Gisborne district rates, McLagan says the logic behind the loading of 4 was seriously flawed.

"The council seems to have totally ignored the rating contributions made by forest owners while their trees were growing. Now the trees are ready for harvest, the council wants forest owners to pay again.

"If you add in the special roading grants it is getting from the government, it appears the Gisborne District Council is triple-dipping."

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In my view

Work for the common good

On the surface, it's a simple maxim really. Work done for the good of an industry, which is widely supported by industry players, should be funded by all those who benefit from that work.

In practice, arguments can be made in favour of both voluntary and compulsory levies. While a voluntary levy has the advantage of very strong accountability to the levy payer, the Commodities Levy Act also includes rigorous accountability processes.

But whatever funding source is adopted, it takes a lot of consultation to define what work should be done and to find a fair mechanism for payment.

Forest owners produce the raw materials for an industry which employs 25,000 people and in the year to 30 June 2004 had exports worth an estimated \$3.25 billion. They are represented by this Association and the Farm Forestry Association.

Both organisations place heavy reliance on voluntary work by elected office holders who have full-time work commitments elsewhere. Yet collective action is imperative. An industry of this size needs bodies to represent and protect the interests of its stakeholders.

Legislative threats to property rights are among the many examples of the issues your associations need to deal with on behalf of all forest owners. Then there's the decision by government to make partial funding from industry a precondition for access to public good science funding.

Well-funded research is essential for the long-term viability of the industry, particularly when it comes to biosecurity. Because the benefits can't be restricted to those who fund the research, the funding costs need

to be shared by all.

Exotic insect pests and diseases are a constant threat. Currently New Zealand is spending \$3.5 million a year on biosecurity research, most of it funded by government. A cost-benefit study by James Turner and other researchers at Forest Research came up with a present value of this research ranging from \$1.17 billion to \$6.9 billion for discount rates between 12% and 6%. About half this relates to the eradication and control of pests affecting plantation forests.

The fascinating thing about this paper – apart from the magnitude of the benefit – is the research Turner did when preparing the paper and the assumptions which flow from this.

For example:

- There are 400 pests of radiata that are not found in New Zealand. Many of these would have a severe economic impact if they became established here.
- Since the 1950s, more than 250 exotic pests have established in New Zealand.
- There is a 40 per cent probability in any given year that an economically significant forest pest will be detected in New Zealand.
- The average cost of eradicating exotic pests to date has been \$55 million an introduction.
- A proportion of exotic pests which arrive in New Zealand will become estab-


lished here, either because there is no means of eradicating them or because they are detected too late to make eradication practicable.

These realities are the major drivers of the industry's need to fund biosecurity research and forest health surveillance. Strong resources in this area will:

- Make it more likely that exotic pests will be detected and eradicated.
- Reduce the cost of eradication.
- Where eradication is not possible, increase the probability of achieving successful control, and reduce the cost of doing so.
- Reduce the proportion of the forest estate requiring control.

It will come as no surprise that funding for biosecurity research has the strong support of most of those who support the concept of an industry commodity levy. Also strongly supported is funding for other programmes which protect the forest asset such as fire prevention and control.

Funding of market development and promotion is less likely to win majority support.

On the basis of this and other feedback, the Association's Executive Council has decided to proceed with the development of a formal compulsory levy proposal. If agreement can be reached on such a proposal, it will form the basis of a comprehensive industry consultation in early 2005. 


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A submission from forest owner and timber processing company Rayonier to Southland District Council speaks for all forest owners when it states:

"Forest owners do not expect to be subsidised by other ratepayers. Nor do they expect to subsidise other land uses.

"The argument has been advanced that the intensity of road use during the relatively short period of harvest in any 25 year cycle causes a greater impact than the same traffic over a 25 year cycle.

Expert opinion does not support that conclu-

sion, except to the extent that concentrating 25 years of maintenance into a much shorter period may create the perception of a greater relative impact." 

One H&S database at last?

Better health and safety information, leading to better H&S performance.

This is the main aim of a proposed integrated H&S information system being initiated by the joint NZFOA/NZFIC health and safety committee.

At present the forest and wood processing industries run two separate H&S incident recording schemes which have varying support from industry players. In addition, many companies have schemes of their own.

Mike Walker of Kaingaroa Timberlands, who is co-ordinating the project proposal, says an integrated health and safety information system will have big advantages.

"It will deliver information that will drive targeted research and education programmes and, ultimately, improve health and safety throughout the industry," he says.

"Because it will be easy to use, and provide meaningful information, companies will be keen to use it."

The existing schemes are the Safety Indicator System (SIS), developed in 2002, and the Accident Reporting Scheme (ARS) operated

by the Centre for Human Factors & Ergonomics (COHFE).

SIS was also a NZFOA/NZFIC initiative. It's a high-level safety performance benchmarking tool which was intended to be used by companies and sectors of the industry to measure and compare their relative safety performance.

ARS was set up about 20 years ago. It collates incident data on injury and near-miss events arising from harvesting and silvicultural operations.

This data is analysed quarterly, and a statistical summary is fed back to the industry. The data are also analysed to identify key areas of concern, such as requirements for protective equipment or causative factors in accidents.

"Because the two main systems are incompatible with each other and with in-house systems, accident data is having to be entered two or three times. This is a great deterrent to both existing and potential users," Walker says.

"The proposed new system will avoid this unnecessary and expensive double-entry. But to do so, we will need to standardise H&S terminology, definitions, and recording mechanisms across the industry – a process which will be helpful in itself.

"The outcome will be a definitive source of industry H&S information. This will be used by individual companies and the industry as a whole to benchmark H&S performance, and it will be an important driver for more focussed action to improve H&S in the field."

The project will be web-based and will need to meet the requirements of a diverse range of companies operating in sectors of the forest and wood product industry.

The industry has now signed off on the project, and work is currently underway with a software developer to build this new H&S information system. Progress reports will be published in future editions of the *Forestry Bulletin*.

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Ignore safety at your peril

The old saying, 'familiarity breeds contempt', has a ring of truth when you look at recent forest accident statistics.

In the three years ending December 2003, there were tragically four deaths among loggers while felling trees. Their average age, 40. Another 88 loggers suffered injury accidents during felling, resulting in 1455 days off work.

In addition, three loggers were killed while breaking out and another 58 suffered injury accidents resulting in 693 days off work.


"The safety performance of the industry has steadily improved in recent years, but we won't be satisfied until the death and serious injury rate reaches zero. And even then, we will need to continue to be vigilant," says Kaingaroa Timberlands H&S manager Mike Walker.

In order to further improve safety in the forest industry, ACC, Forest Industry Training, COHFE and the Forest Industry Contractors

Association have developed a series of guidance leaflets on safe practice. The latest two are quizzes for fellers and breaker-outs.

"A quiz could be completed as part of a weekly safety meeting or tailgate talk. The aim is to encourage discussion and refresh skill levels across the whole crew," says Walker.

"Workplace safety is just as important for experienced staff as it is for apprentices. We all tend to slip into bad habits unless we consciously adopt safe practice. Everyone in the team needs to be aware of the risks and to look out for each other."

Copies are available from <http://www.acc.co.nz/injury-prevention/safer-industries/forestry/safety-guidance/> 



Forestry operations can be hazardous- safe practice is therefore essential

McAlonan remains confident

Murray McAlonan is now embarking on what he describes as "life adventure things".

At the end of May, he retired as assistant director-general MAF forest management group, after a career which included a stint as general manager forestry for Carter Holt Harvey and 16 years on the executive committee of the NZFOA, including a term as president.

His retirement has come at a time when the industry is going through rapid change, with overseas pension funds (TIMOs) buying forests from their corporate owners.

While the changed corporate philosophy toward owning forests has been driven largely by the prolonged depression in softwood log prices, McAlonan does not see the ownership changes as a bad thing.

"In principle, the TIMOs have an interest in maintaining the value of their forests so they have a reliable long-term income stream. The focus of corporates is more on the short-term."

He also sees TIMO investment in New Zealand as positive reinforcement of his view that the industry has a good long-term future.

of the post 1998 increase in log production should be added-value processed is a more vexed issue.

"While Carter's LVL mill at Marsden Point has been a bright spot, greenfields investments in added value processing have been more modest than the industry would have liked."

McAlonan believes the barriers to investment put up in the name of the Resource Management Act need to be addressed.

"Potential investors come here, they look, they are impressed by our open economy and stable government – there are a lot of positives. Then they hear of someone who has bailed out after trying for four years to get a resource consent for a sawmill.

"While I don't believe any fix for the RMA should allow inappropriate environmental activity, other countries – Chile springs to mind – are actively encouraging investors to

take their money there."

He also makes the important point that, as corporates reduce their involvement in growing trees, investment in processing will increasingly need to come from companies which don't necessarily have links to forest growing here.

The other side of that coin is that people are increasingly growing trees to sell trees.

"Land owners, farmers, investors, syndicates – they don't see themselves as processors, but they see trees as a useful component of their investment portfolios.

"There's nothing wrong with that. What's good for New Zealand doesn't necessarily gel for an individual grower.

"If we want to add value – not cost – to logs in New Zealand, the country needs to have an appropriate investment climate. Potential investors are making signals that the climate is not good enough." ❏

RMA issues

ECAN's tree limits

Environment Canterbury (ECAN) has not made any changes to its proposed water management strategy, which was released formally for public comment in July, despite detailed submissions from forest owners.

ECAN is proposing that forestry be limited to between 5 and 15 per cent of land holdings in so-called 'sensitive catchments' which are drained by rain-fed streams with low summer flows. This restriction effectively prevents commercial forests from being established over large parts of the region. (See 'Don't stop the rain', *Forestry Bulletin*, Winter 2004).

Peter Weir and Kerry Ellem have been representing the Association in its dealings with ECAN.

Chris Perley for Blakely Pacific; Chayne Zinsli of Carter Holt Harvey; and Hugh Stevenson of Selwyn Plantation Board will now be preparing a technical submission on behalf of Canterbury forestry interests.

A technical peer review of ECAN's science undertaken by LandCare Research indicates that large scale afforestation would mean only a minor potential change in the amount

of water available to downstream irrigators. The review has questioned many of the underlying assumptions in ECAN's science.

"You have to seriously question the logic of a proposal which will see one group of land owners – hill country forest owners – having to forgo their rights for the benefit of another group of land owners – downstream irrigators, principally dairy farmers, who want more water to intensify their land use.

"The policy is at odds with rising nitrate levels in the groundwater – ECAN's major problem – which stems from intensification of agriculture under irrigation," says Weir.

In a full colour newspaper supplement which notified that the plan was open for public submission, ECAN profiled several representatives of stakeholder groups. They did not think to include a forest owner as a subject to profile. ❏



Murray McAlonan: "The investment climate needs to be improved"

"We have a world which is crying out for wood, and while this is not a new message, just look at the long-term conservation pressures on indigenous forests. With global warming, we are also likely to see a more reasoned approach to the exploitation of tropical rainforests.

"Sure, radiata is a softwood, but on balance there's a future there. I don't know that it will be a wagonload of gold, but if people are good at what they do, they should be reasonably confident."

Achieving the industry vision that 50 per cent

Ngati Porou strides into forestry

Maori-owned and managed plantations are big players in the New Zealand forest industry and, if Chris Karamea Insley has anything to do with it, will become even more influential.

General manager of Ngati Porou Whanui Forests (NPWFL), he's responsible for a business which owns 10,000 hectares of mainly radiata plantations. His aim is to create a vertically integrated business with 40 - 50,000 hectares of "world-class forest".

Ngati Porou is New Zealand's second largest iwi, with 63,000 members. Eleven thousand live within the tribe's Poverty Bay/East Coast rohe, including 3500 in the small towns of the region.

Starting in the 1960s, the NZ Forest Service struck deals with many hapu on the coast, planting blocks of tribal land in forestry. This era came to an end in 1987, when the forest service closed its doors.

"The leadership of Ngati Porou said at the time, the Government may walk away, but we won't. We have lots of idle land, idle people and lots of scrub. We'll put them to work," Insley recalls.

In the last 10 years, this commitment has borne fruit. With Insley at the helm, the company now employs 100 local people and has an annual turnover of \$2 - \$3 million.

One of the keys to the company's success is a business partnership with Korean company, Hansol Home Deco. Hansol provides finance, while NPWFL provides the land and manages the forests.

"We're doing things quite a bit differently than the rest of the industry. We're the most computer literate company in the business," Insley says.

"I have a strong view that we can be as good as any forest company in the world - socially, environmentally and economically."

This is not an idle boast. Industry peers describe Insley as "innovative", "very professional" and "driven".

Indeed, his experience, academic background and personal drive would make him a prime candidate for top forest jobs worldwide. His career includes time with Fletcher Challenge Forests and in senior management positions with Weyerhaeuser across North America.

Brought up by grandparents who spoke Maori in the home, Insley boasts degrees in business



Chris Karamea Insley "We can be as good as any forest company in the world"

studies and marketing, an MBA from Waikato University, and a post-graduate diploma in international finance from Harvard. He's now doing a PhD on developing a model for globalising Maori businesses.

The growth of NPWFL is assisted by a board policy that, for the meantime, sees profits re-invested back into the company.

"But we do pay a social dividend - we spent 5-6 per cent of our income last year on training and educating our Ngati Porou people. This year, one of our scholarship winners - 27 year old Tina Porou - got her PhD."

NPWFL has a policy of hiring Ngati Porou contractors for planting, thinning and other



A partnership with Hansol Home Deco, is a key to the company's success

forest management work.

"They're evergreen contacts - they run in perpetuity, so long as standards are maintained and the work is done. We also organise their work so there are no seasonal lay-offs. This enables us to make a long-term commitment to the training and development of contractor staff."

Training is not limited to work on the forest floor.

"We're now planning to partner with a top research organisation. A condition of any deal we make will be a requirement to assist Ngati Porou people with their education and training," Insley says.

"We want a research partner to help us understand the global drivers for supply and demand for wood for the next 40-50 years. The aim is to align those drivers with where we are today, the issues we will confront along the way and how we can use research and development to deal with them."

Although scholarships and training are a form of social dividend, he emphasises that the company's business model is solely driven by economics.

"On a day to day basis, staff know that every dollar they spend has to add value, or it is just a dollar wasted."

The business structure of NPWFL is like a conventional company. Each forest it manages is on a block of land owned by a trust which represents the beneficial owners - generally the members of a specific hapu.

"Each trust has an equivalent equity holding in NPWFL. The directors have been selected for their expertise - it's the smartest and most strategic board I have ever dealt with," Insley says.

"The board are all Maori from the Coast with strong commercial expertise, further our koroua [Koro Dewes] provides valuable board input by constantly reminding us of our Maori heritage. But even he has a very strong commercial background."

Although the board is an independent legal entity, it works very closely under the cultural umbrella of the Ngati Porou runanga, along with the tribe's other businesses.

"At the top is runanga chairman Api Mahuika. He has no formal role in our business, but I accept and respect the leadership role he plays.

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He ensures the underpinning values of what it means to be Ngati Porou are maintained."

With NPWFL running efficiently and profitably, Insley is now turning his mind to expanding the company's operations. The acquisition of land and "entities" is on the agenda.

"We can see efficiency advantages in having greater scale. We also see benefits from controlling our products further along the value chain.

"Some would like to see this control being in the form of ownership. But it's not necessarily the only way," he says.

One option is to work with other Maori-owned businesses on joint branding and marketing of forest products. Insley says the Federation of Maori Authorities (FOMA) is trying to bring together a number of ideas along these lines.

"Personally, I see a huge potential – there are initiatives happening all over the place. FOMA's members have either directly or indirect interests in 800,000 hectares of New Zealand's forests; there is amazing unity on the big issues."

Insley would probably also be making a significant contribution to the Forest Owners Association, except for the fact that NPWFL is not a member.

"It's not by choice; we would like to be involved, but we cannot sign up to the Forest Accord, which is a condition of membership.

"We have 23 per cent of our land in reserves – an area which our shareholders are happy with. But signing the Accord would prevent us from clearing manuka and kanuka scrub, which we have a lot of.

"We clear it and make no apologies for doing so. The ENGOs don't understand the cultural, economic and social issues on the coast and we don't accept they have a right to tell us how to use our lands."

Despite this strongly-felt view, Insley is working with some ENGOs who understand what the company is doing. Indeed, he plans to get FSC certification for the company in due course.

"I know the standards intimately and all our systems are designed with certification in mind."

Insley is immensely proud of what Ngati Porou Whanui Forests have achieved in the last 10 years, as well as the growing recognition in business and government circles of the scale and importance of Maori farming and forestry to the economy.

"Who would have believed 10 years ago that we would have got where we are today? Who knows where we will be in 10 or 15 years? As our businesses mature, the opportunities are endless." 📍

Training

Walking the red carpet



Colin Dowman, of D & R Dowman, winner of the Husqvarna Harvesting National Trainee of the Year, with finalists Darren Brunton, RMD Logging, and Rick Te Whiu, Ribbonwood Forest Services

More than 400 guests turned out when Forest Industries Training rolled out the red carpet at its annual awards dinner in Rotorua.

The ceremony recognises company excellence and personal achievement, as well as providing a great night out for family, friends and industry supporters.

Tony Veitch of TV One Sports MC-ed with wit and style. Graeme Sinclair of the *Carters Gone Fishin'* treated guests to an inspirational and humorous dinner speech.

Safety and training in the workplace were the main focus of the evening. The top company safety honours went to Fraser Logging in Nelson which received the Carter Holt Harvey Forests Excellence in Forestry Safety Award and Henderson based Carter Holt Harvey Treasures Babycare took home the Norse-Skog Excellence in Wood Technology Safety Award.

Two female award winners went some way toward redressing the industry gender balance. Laura Gledhill of MAF's Auckland based Quarantine Service was awarded the Ministry of Agriculture Biosecurity National Trainee of the Year Award, and the event's most pres-

tigious *NZ Logger Magazine* Outstanding Contribution to Industry Award was deservedly presented to Jenny McLeod of Thames Timber, for her outstanding decade-long commitment to safety and training in the industry. Modern Apprentice and Trainee of the Year Award winners received \$1000 each, and finalists also received a prize of \$250. The exception being the Harvesting sector, where Colin Dowman, National Harvesting Trainee of the Year, became the proud owner of a Husqvarna chainsaw. In a new addition to the 2004 ceremony, High Vis jackets and hard hats were presented to both finalists and winners in all categories.

FIT CEO John Blakey said the evening was a huge success. The high standard of all the award nominees reflected the ongoing synergy between industry and its ITO.

Mr Blakey commented that "the vision of the forest products industry by 2025 is to increase exports to \$14 billion. The connection between training, safety performance and profitability is indisputable, hence the incredible commitment these companies are making". 📍

Working together in the South

In the deep south, forest industry players are working together to ensure the public is aware of the economic contribution forestry is making to the region.

Chairman of the Otago/Southland Forest Products Group, Matt Hitchings, says the group has been very active.

"We're quite diverse – forest owners, wood processors, port companies, district councils and Trade & Enterprise – so we had to find areas of common benefit and focus on those."

And focus they did. The range of projects completed in the last two years is quite extraordinary.

Among them, an energy audit of local wood processors – with ECANZ contracted to work with individual companies. Just released is a 'Wood Profile' which details timber supply and demand within the region.

The group has also worked with training

and education providers and has hosted secondary school student visits.

"We have done some pretty useful things and have a potential to do more – we have a lot of enthusiastic support," says board member Phil Taylor.

"We are about to look at preparing an economic impact assessment of forests and wood processing in the region. This will be part of building up the collateral we need to promote forestry and wood processing."

Hitchings says promotion within the region is very important. "We're part of the community and the community is part of us."


The group recognises that it needs to maintain momentum if it wants to retain the commitment of members. This has been greatly assisted by using cluster-funding from Trade and Enterprise to partly fund

the employment of a contract facilitator and a training specialist.

"We're now planning to hire a communications consultant to help us with our media relations and regional lobbying."

Having council representatives on the group has been very useful, says Hitchings. As a result, relations with the Dunedin City, Clutha District and Southland District Councils have been "very positive".

However, some issues have not yet been addressed around the table – most notably the differential rating scheme being introduced by Southland District Council. Issues like this need to be advocated for in the public arena.

It's an issue where the group's communications consultant is likely to be kept busy, and where the benefits of a successful outcome will be high. (See differential rating story page 1). 

Nectria research begins

The spokesperson for research into Nectria – a fungal disease which has been identified in Otago and Southland radiata plantations – is confident that a simple management solution will be found for the disease.

Phil Taylor of City Forests, Dunedin, says it is likely the disease may be managed by something as simple as the timing of pruning. On the basis of early evidence that this may be the case, some forest owners are already timing their pruning to avoid apparent high-risk periods.

"Whenever a new disease is discovered, there is a tendency to report it with scare headlines, but the reality is that nectria is just another plant health issue. Every primary industry has them.

"We have a very well-funded and co-ordinated research programme underway and I am certain that it will come up with an answer."

The presence of Nectria was first confirmed in 1996 but it may have been present in New Zealand since the mid-1980s. Proper identification was delayed by the fact that the external symptoms of Diplodia whorl canker and Nectria are similar.

Nectria fungus enters wounds and pruned

stubs, and may then let in other destructive fungi. Wood damage in severe cases may be enough to render the infected part of a log valueless, but unlike Diplodia, Nectria does not cause death of the crown and ultimately the tree itself.



Nectria damage: A strong research programme is expected to come up with a solution

Very little is known about how infection spreads, or the environmental conditions required for its establishment, but a survey to establish patterns of infection is expected to be completed later this year.


"The extent of infection in individual trees varies tremendously, as does its distribution in stands. It's most unusual," Taylor says.

To better understand the disease, extensive research into its ecology is due to begin shortly.

"It's a high latitude disease – a native of Scandinavia – and despite the movement of logs and plant material from southern New Zealand to the rest of the country, there is no evidence the disease has spread outside the region."

However, until more is known, forest owners and nursery growers will need to assess the risks and make their own decisions.

Taylor says the NZFOA will continue to monitor the situation and is supporting research into the disease through the NZFOA Forest Health Committee and the Forest Biosecurity Research Council.

For more information, contact Nectria Research Working Group spokesman Phil Taylor, Tel 03 455 5512 or 0274 876 890. 

Tree breeders unite

New Zealand and Australian tree breeders and forest biotechnology organisations have united to form a Tree Improvement Consortium (TIC).

TIC will fund a \$1 million research budget and seek matching public-good funds from the Foundation of Research Science and Technology (FRST).

Participants include the Radiata Pine Breeding Company (an industry-owned joint venture), Forest Research, CSIRO, and the Canterbury University School of Forestry.

The TIC aims to develop *Pinus radiata* which are genetically superior in terms of health and log quality, producing wood that is 'fit for purpose' and which add value to the plantation estate.

Spokesperson Dave Lowry says the consortium aims to enhance tree breeding skills and capability within existing research providers.

"We also want to develop new capabilities through the education and training of students at the School of Forestry and other institutions."

The consortium expects to be formed by late September and its financial viability determined later this year. 🗳️

Biological beetle control



AgResearch

A *Hylurgus* bark beetle infected with *Beauveria caledonica*

The discovery of a *Beauveria* fungus which is deadly to exotic bark beetles may lead to the development of a non-chemical bio-pesticide for the insect.

The beetles breed in the stumps of milled trees and damage young radiata in second and subsequent generation forests.

Dr Travis Glare and Tracey Nelson of AgResearch made the world-first discovery last year. Dr Glare says five of the six species of *Beauveria* were known to be pathogenic to insects, but the properties of *Beauveria caledonica* were unknown until he checked an infected *Hylastes* beetle.

The fungus had previously been isolated from moorland soil in Scotland but was not known to be present in New Zealand.

"The beetles have probably been present in New Zealand since the early days of

European settlement," says Glare. "My best guess is that the beetles brought the disease with them."

Caledonica is not nearly as common as its cousin *B. bassiana*. Several *bassiana* strains have been used overseas to develop bio-pesticides. One is being used in New Zealand to develop a bio-pesticide specific

to clover root weevil.

"We have done bioassays of the organism and have found that it is pathogenic to the adults and larvae of both *Hylastes* and *Hylurgus* beetles," he says.

"We are now working on finding an economic way to apply it to the soil. Incorporating it in the seedling mix may well be the answer."

The project is funded by the FRST through the CORE programme at Lincoln University. Carter Holt Harvey is also providing support in kind.

More? Contact Travis Glare, Tel 03 983 3981, email travis.glare@agresearch.co.nz



Native bats thrive in pines

Bishops may have bats in their belfries. Some New Zealand forest owners have them in their pines.

Colin Maunder of Kaingaroa Timberlands, says native long-tailed bats are one of a number of endangered native species which thrive in pine plantations. He knows of several populations in the central North Island and has heard of them in Canterbury.

"They are an insectivorous species and find good feeding habitat in radiata stands. They particularly like old growth pines

because there are lots of nooks and crannies in the bark where they can hide."

He says the native bats are about the size of a mouse, but are rarely seen because they are nocturnal.

On behalf of the NZFOA environment committee, Maunder is co-ordinating the production of an internet-based guide to the management of endangered native flora and fauna in exotic timber plantations.

The guide, which will assist with FSC accreditation, is being partly funded by the

Biodiversity Advice Fund. He hopes to have it drafted by early 2005. 🗳️



The native long-tailed bat

J.Kendrick. Crown Copyright. DoC 2004



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