

# Taupo nitrate plan a mess

A proposed variation to Environment Waikato's regional plan designed to protect Lake Taupo from further nitrate pollution is inequitable and won't work.

NZ Forest Owners Association chief executive David Rhodes says it needs to go back to the drawing board.

"The variation discriminates against forestry, which ironically makes a significant contribution to water quality in the lake," he says.

Research has shown that 90% of the nitrate in the lake from human activity comes from livestock, particularly dairy cattle. The balance comes from urban run-off and sewage.

Very little nitrate comes from plantation forests – average levels are similar to mature native forests.

Environment Waikato has proposed a nitrogen leaching trading mechanism as a major tool for reducing pollution. In addition, \$81 million in government grants has been allocated to mitigate nitrogen discharges from farming.

Rhodes says the use of public money to cushion the impact on the pastoral sector is justified on social, political and environmental grounds. But the potential reductions from use of this money are unlikely to be realised because of serious flaws in the way nitrogen trading is to be set up.

"The way nitrogen credits are initially allocated is critical to the success of nitrogen trading. In this case the proposed method is inequitable and there is little incentive to ensure trading will work," he says.

"Without incentives, nitrogen discharges from pastoral farming will only be reduced to the extent that the government grants will allow."

Most nitrogen leaching rights will go to those land owners who are currently polluting. Allocations to non-polluters – the owners of forests or undeveloped land – will be minimal.

Rhodes says lands in plantation forestry will



David Rhodes

Non-polluters won't even be able to embark on developments which are less polluting than farming

have to remain in that use and undeveloped lands will have virtually no development options. Most land in the Lake Taupo catchment is made up of these two types of land cover.

They won't even be able to undertake activities which are less polluting than farming.

"The long-term production options of such properties will be very limited. Accordingly, they will be devalued overnight," he says.

"This approach is perverse. Polluters are likely



George Asher

Ngati Tuwharetoa will be prevented from developing 78% of their land in the catchment

to continue discharging nitrate in the hope of eventually selling the property with that right to another land owner."

He says an alternative approach would be to allocate nitrogen leaching rights evenly across all land owners in the catchment. Those with low nitrogen land uses could then sell credits to those involved in high discharge activities. This would be wholly compatible with the objectives of the Resource Management Act.

"A possible compromise – bearing in mind the political and environmental pressures within the catchment – might be a system of delayed averaging. This would give farmers reasonable time to adapt and could incorporate research on best management practices."

The variation also ignores the rights of Ngati Tuwharetoa under the second article of the Treaty of Waitangi and under several sections of the RMA. The iwi, with land holdings of 109,000 ha, is by far the biggest land owner in the catchment. It also owns the 60,000 ha lake bed.

George Asher, general manager of Lake Taupo Forest Trust, the iwi's forestry arm, says that while the trust totally supports improved lake water quality, the methodology proposed will effectively prevent them from developing 78% of their land in the catchment.

"This is totally unacceptable. It forecloses our right to develop our ancestral lands to their highest and best use."

He says the proposed variation ignores the iwi's significant historical contributions to environmental sustainability and the public good benefits which have derived from that.

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# Economic cornerstone needs attention

By NZFOA chief executive David Rhodes

Fiscal prudence has been a hallmark of the governments led by Helen Clark and finance minister Michael Cullen. Even their critics concede that they have provided a stable economic environment in which to do business.

However there has been growing concern, especially in the forest industry, about Labour's failure to recognise that secure private property rights are a cornerstone of a vibrant modern economy.

As a public issue, property rights barely rate, but government ears should be tuned. Because unless property rights are strengthened our economy will fail to realise its potential. Incomes and public services will suffer as other economies capture investment capital which otherwise might have come New Zealand's way.

The ownership of land and the owners' right to develop it for private benefit have always been constrained by the underlying rights of the Crown. But until the 1960s the Crown tended to exercise its rights sparingly, such as under the Public Works Act which provides just compensation for land compulsorily acquired.

In recent decades this has changed. Under both Labour- and National-led governments, new legislation and case law has progressively constrained the ability of investors to manage their properties in the way that supports their business interests.

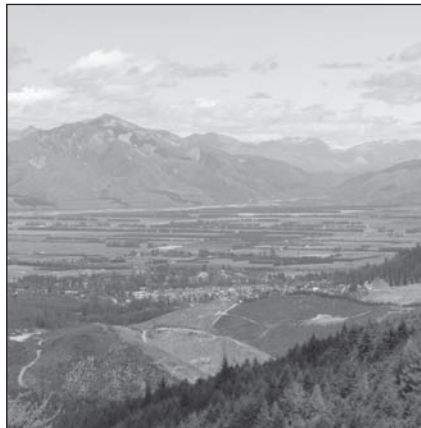
This reflects a growing awareness that natural resources are finite; that the public should have a right to have a say in their allocation and conservation. Fair enough.

But the mechanism that is intended to weigh competing interests and to ensure resources are developed as sustainably as possible, is not working in a balanced way. Instead, the

Resource Management Act (RMA) has become a mechanism that is preventing or hampering development.

Even when a large wealth-creating business adopts world-best practices and largely mitigates the effects of its operations on the environment, there is no certainty they can do business in New Zealand. Worse still, it may cost millions for them to find that they're not wanted.

In this context, the Environment Court's decision to turn down Ernslaw One's application to develop a major sawmill on the Coromandel Peninsula does not reflect a victory for sustain-



**ECAN is trying to stop tree planting**  
One of many examples where public benefit is being legislated for at the expense of private forest growers

able management. It tells entrepreneurs around the world that they can buy land here but there is no assurance they can extract a reasonable economic rent from it.

However, the risks don't end there. For those who invest, there is the very real risk that substantial property rights may be lost as a result of a simple vote in parliament or a regional council.

The fifth amendment of United States constitution states "nor shall private property be taken for public use, without just compensation". How different it is here.


Still in the headlines is the battle to get compensation for carbon credits nationalised two years ago. Meanwhile in the central North Island, the industry is having to fight Environment Waikato's proposed option for protecting the health of Lake Taupo. This, incredibly, proposes to take from forest owners the right to further develop their land, while leaving options open for industries which pollute.

In the southern North Island, forest owners are seeking the legal right to control sambar deer in their forests. The exotic deer, which are causing millions of dollars worth of forest damage are legally protected for the benefit of hunters.

In Canterbury, forest owners are having to deal with efforts by Environment Canterbury to stop them planting trees in low rainfall catchments. Why? Because ECAN has allocated the water for irrigation downstream.

Legislating for public benefit at private cost is unreasonable. But more importantly, it's bad policy, because it tells businesses that their investments are insecure and are not valued or respected by the wider community.

If Helen Clark's third administration is to build on the reputation of its predecessors for sound management of the economy, the point has been reached where the sanctity of property rights must be addressed.

No one is arguing with the need for a sustainable environment. But without secure property rights we won't have investment. Without investment we won't have a sustainable economy. 

## From previous page

These include the gifting of Tongariro National Park to the nation and public enjoyment of the lake bed.

The NZFOA believes government-owned farming blocks within the catchment should be converted to low nitrogen discharge use.


This would include land owned by Landcorp, Department of Corrections and the

Department of Conservation.

Their conversion would be relatively easy and would make a big contribution toward solving the problem. Also the Crown has a special responsibility for remedying the problem – it has been aware of the risk of nitrogen pollution for at least 40 years.

The Lake Taupo variation is important for

New Zealand and particularly for the forest industry. It has the potential to set a precedent which may well apply in other catchments, as well as for other nutrients.

Submissions which closed on 2 September 2005 and are now being considered by Environment Waikato. 

# LIRA funds forest-floor research

Since 2004, about \$400,000 worth of forest industry-good research has been approved by an industry body which makes no call on growers for its funds.

The Logging Industry Research Association was established many decades ago and for a time was a major research body in its own right, with scientific staff and a building on the Forest Research campus in Rotorua.

But times changed. LIRA's operations and staff were folded into Forest Research (now Scion) and its assets sold.

LIRA secretary Graeme Hall says these assets are now being deployed for the benefit of all forest growers. Applications for grants to fund research and other industry-good projects were called for in 2003 – some of which have been completed.

LIRA helped establish the Forest Industry Contractors' Association, ensuring that an important sector was given a voice.

"We are expecting an updated Forestry Code of Practice to be completed shortly," says Hall. "This updates the original code developed by LIRA about 20 years ago.

"The code sets standards for safe and efficient forest operations that meet the requirements of sound and practical environmental management. It is not a prescriptive legal document. It provides members with something they can benchmark their operations against and because it is a guide to best environmental practice, it helps them with their resource consent applications."

Other projects which LIRA has approved for funding include:

- Zero-based review of log transport, to find the best vehicle configurations for productivity, environmental impact and safety.
- Further development of the Iris (incident reporting scheme) database.
- Best practice guidelines for road traffic control on private forest roads.
- Pakuratahi (Hawkes Bay hill country) land use study, to quantify the impacts of forest harvesting and establishment practices, and pastoral farming, on soil erosion and stream water quality. LIRA will fund publication of the research report when the project is completed in 2006.
- Log transport cost model, to improve the long-term sustainability of log transport operations. Development of the model, plus technical transfer programme.

Also being considered by LIRA is a contractor certification scheme, a project on harvesting productivity and a review of erosion and sediment control practices.

"LIRA welcomes applications for industry-good funding grants for projects which fall

within its objectives. These should be made through the NZFOA, FICA or the Log Transport Safety Council," Hall says.

Contact: Graeme Hall, Tel 04 472 7919, email graeme.hall@mjpkf.co.nz

## Forum

# Morale booster at forum

Forestry was given a shot in the arm at the annual industry forum hosted by NZFOA in Auckland in mid-October.

Caretaker forestry minister Jim Anderton and Green Party co-leader Jeanette Fitzsimons both strongly emphasised the positive contribution being made by forestry to the economy and the environment. Their attendance during a week when their parties were involved in negotiations to form a new government was much appreciated.

Representatives of nearly all major forestry companies and a cross section of the wood processing industry heard Anderton say that it was time for the industry to start believing in itself. Positive thinking, entrepreneurial attitudes and a culture of success and creativity needed to be fostered.

"If there is one quality to fill us with confidence and optimism about New Zealand it is meeting young people with business ideas. They see not only forests, and the market possibilities before us now.

"They see the potential for creative business uses of our wood. They see markets we barely begin to dream of."

Fitzsimons impressed with her knowledge of plantation forestry. She also recognised the positive environmental services derived from planted forests – clean water, soil conservation, biodiversity gains, nitrogen offset, underpinned by the value of carbon

sequestered.

She said she understood the importance of radiata pine but emphasised the environmental and economic importance of growing a diversity of species.

She made it clear that she also saw a future for plantation forestry based on indigenous species.

Anderton praised wood processors for establishing the Wood Processing Association, which would be more representative of the sector. Most importantly, he hoped to see the WPA and the NZFOA working together with the government on market development under the Forest Industry Development Agenda.

He said MAF models predict that in 10 years the forest industry could be harvesting nearly 32 million cubic metres of logs, up nearly 60% on last year. Twenty million cubic metres of those logs could be processed in New Zealand.

This model suggests the industry could have total export and domestic sales of NZ\$10 billion, an increase of 80 per cent on current levels. In Anderton's view, this will transform New Zealand's industrial base.

"This is all based on models of what we know now about the current situation," he said. "It doesn't assume new markets will be opened or that new or different products are produced, though we must do both."



Jeanette Fitzsimons

# Carbon storage contracts called for

The NZ Forest Owners Association is calling for the government to “think laterally” about ways to encourage forest owners to plant more trees.

New forest planting rates are at an all-time low, and extensive deforestation is taking place, driven by forest owners looking for more profitable land uses and seeking to avoid costly deforestation levies. These levies may apply from 2008 under the government’s current Kyoto policies.

Faced with a government refusal to even discuss possible changes in these policies the association recommended in July that members should ban climate change officials from entering their forests. This ban has been supported by most forest owners and still remains in place.

“The positive news,” says NZFOA president Peter Berg, “is that the government is reviewing its Kyoto policy mix later this month. Also, forests minister Jim Anderton helped broker some talks with officials.”

There are many options open to the government if it wants to encourage forest plantings. These can range from the industry’s preferred option of devolving net Kyoto carbon credits to forest owners through to grants for services provided.

“The country is relying on growing trees to keep its Kyoto ledger in the black. It is not

unreasonable to pay tree growers to provide this service,” he says.

“We are looking for market-based mechanisms or failing that, direct payments that recognise the value created. Forests offer substantial environmental benefits to the rest of society, including the prevention of soil erosion, the protection of our scenic lakes and waterways, reduction in flooding as well as carbon sequestration.



When towns and farms are flooded, or lakes need to be cleaned up, there is a huge negative cost. Incentives to plant trees are a positive investment in the nation's future

“When towns and farms are flooded, or lakes like Taupo and Rotorua need to be cleaned up, there is a huge negative cost which is borne by society. In contrast, incentives to plant trees are positive – it’s an investment in the nation’s future.

“In the UK, payments for these reasons cover up to 95% of forest establishment and re-establishment costs.”

Carbon sequestration has an international value. Forest owners in countries like Australia (that are not party to Kyoto) are realising this value by selling their sequestered carbon.

Because New Zealand has chosen to ratify Kyoto and to nationalise all carbon credits, forest owners here cannot do this. Also, the government has made forest owners legally responsible for the carbon liabilities which

will arise if more than 10% of pre-1990 forests harvested in the first Kyoto commitment period (2008-2012) are not replanted.

This policy mix has disadvantaged pre-1990 forests relative to post-1990 forests, NZ forestry relative to Australian forestry, and – because farmers are shielded from the economic costs of livestock emissions – forestry relative to farming.

While Kyoto, and subsequent policy, has resulted in different parts of the forest sector being treated in different ways, there is widespread agreement among forest owners on the way forward.

“There is no doubt that the government’s climate change policies are economically damaging to the forest industry and urgently need to be revised,” says Berg.

“A sea change in government policy is now needed. Industry confidence needs a boost and this means providing growers with a return on their investment which reflects the value of the contribution they are making to society.”

Taking the forest industry’s Kyoto credits and liabilities together, a significant overall credit surplus still exists. In other words, the Kyoto Protocol has created a net positive market value for sequestered carbon.

“The value of this credit should be vested with forest owners. How this might be achieved will, I hope, be grounds for fertile discussions with the new government,” he says.

“Some lateral thinking is called for.”

Chief executive David Rhodes says the government needs to ensure that arbitrary and inequitable aspects of the Kyoto Protocol that relate to forestry are not imported into New Zealand’s climate change policies.

“If the government is to retain responsibility for the country’s Kyoto liabilities, it can tailor the rules which apply in New Zealand to our unique circumstances,” he says.

“For example the current differentiation between pre- and post-1990 forests denies the reality of ongoing forest crop rotations. It is unfair, distorts land use decisions, and is an incentive to get out of trees before 2008. Do away with it. 🚩

## Is that a fact?

Do you know the extent to which New Zealand’s forest harvest is processed before export?

The logs you see on the wharf are worth \$624 m a year – but they’re exceeded in value by sawn lumber exports (\$684 m) and by pulp, paper, newsprint and paperboard products (\$964 m).

Find all this and more in NZ Forest Industry Facts & Figures 2005/2006.

Produced by NZFOA, NZFIC and MAF, it is available online at: [http://www.nzfoa.org.nz/file\\_libraries](http://www.nzfoa.org.nz/file_libraries). For a hard copy, contact NZFOA, PO Box 1208, Wellington. Price: \$5 a copy (incl GST and postage). 🚩

# PPC: potential foot & mouth?

**Study by Lincoln University post-doctoral fellow Rebecca Ganley indicates that the threat posed by pine pitch canker (PPC) may not be quite as serious as previously thought.**

Ganley's studies are part-funded by an NZ-FOA scholarship and supervised by Lincoln University and Scion. But because you can't do a field study of the PPC fungus *Fusarium circinatum* in New Zealand, she's currently based in Idaho, USA and working in pitch canker regions around the world.

Last year Ganley completed her PhD research on endophytic fungi of western white pine, *Pinus monticola*, and then dedicated the next two years to improving New Zealand's understanding of PPC and the likely threat it poses to our pine forests.

NZFOA forest health administrator Bill Dyck says the association is very pleased with the progress that Ganley has made in the short time that she has been working on the project.

"She has spent time in California with Professor Tom Gordon's lab, has met all the researchers working on pitch canker in the south eastern states of the US, and had the chance to catch up with Professor Mike Wingfield from Pretoria when he was at a conference in Louisiana," he says.

"She has also spent the Spanish summer working in the Basque region and has gained a significant insight into both the biology and the politics of the disease."

So, what can Ganley now tell us about the pitch canker threat? Is it really the 'foot and mouth disease' of forestry as some authorities have suggested, or will NZ pine forestry be able to withstand an incursion should it eventually get here?

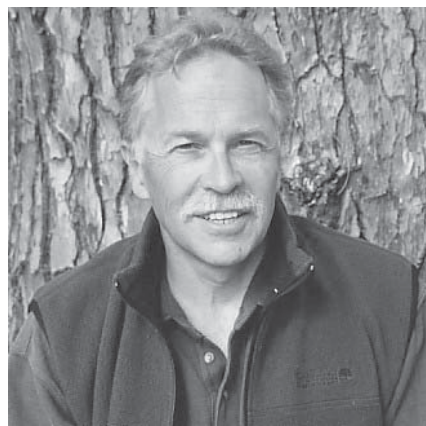
Readers may recall early warnings from California that indicated PPC was likely to wipe out 85% of the radiata pine growing in the state.

"According to Beccy, based on reported resistance levels for NZ pine, it would be expected that 97% of our radiata could become infected should the fungus be introduced. That's the bad news," Dyck says.

"The other part of the bad news is that radiata pine is the most susceptible species to pitch canker. Douglas-fir, our other widely planted conifer, is a non-symptomatic carrier."

While the low level of genetic resistance and high susceptibility of radiata pine sounds very

precarious for New Zealand, there is considerable evidence to suggest that things wouldn't get all that bad, even if the fungus did become widely established here.



Bill Dyck

The California experience – after 20 years of living with the disease – has been that many infected trees develop disease resistance and even become disease-free. Growth reduction does occur as does increased resin bleeding. The impact on wood quality is not yet known.

In both South Africa and Chile the disease has been confined to nurseries, likely due to a combination of environmental and

biological factors. For example, wounding and insect vectors are important in spreading the disease and if these are missing then disease spread will be reduced.

While wounding agents, such as pruning, wind, possums and hail are common in New Zealand we don't appear to have the problem insect vectors that exist in California. In contrast, pitch canker has spread rapidly through the radiata forests of northern Spain, where likely insect vectors exist.

"It is certainly too soon to be able to conclusively state just how much of a threat pitch canker poses for New Zealand forestry, but what Beccy has learned to date indicates we may be more like South Africa and Chile, than California and Spain, in terms of disease spread. Although this sounds somewhat comforting, scientists in South Africa and Chile are unsure as to what pitch canker will do there," says Dyck.

"One thing we do know is that we are fortunate to have Dr Ganley working on this problem for us and we look forward to the time when we can be more confident in predicting what pitch canker is likely to do should it establish in New Zealand."▲



**Tough work, but someone has to do it**  
Dr Rebecca Ganley pictured in a radiata plantation, Durango, northern Spain, where insect vectors have led to a rapid spread of PPC



Brian Joyce LLB asks ...

## Is economic wellbeing getting a fair hearing?

In July this year the Environment Court decided not to permit the development of a large-scale sawmill by Blue Mountain Lumber on the Coromandel Peninsula.

Media coverage of the decision was almost universally couched in terms of the economic significance of the project.

The *NZ Herald* story was typical. It began: "Plans for a \$30 million sawmill at Whangapoua, on the Coromandel Peninsula, have been sunk by an Environmental Court decision that opponents say is a victory for small communities ... the company ... spent \$1 million fighting to get the sawmill built."

Under the RMA, "economic wellbeing" must be taken into account when a resource consent application is being considered.

As the Court elaborated in this decision, it had to make a "comparison of conflicting considerations and the scale or degree of them, and their relative significance or proportion in the final outcome" when determining "whether the proposal would promote the sustainable management of natural and physical resources."

Many environmental and planning considerations were explicitly taken into account. Among them, the provisions of the District Plan, traffic issues, visual amenities, Maori traditional and cultural values, the effects of various contaminant discharges to land and water and air sheds, site rehabilitation, eco-systems and bio-diversity, and so on ...

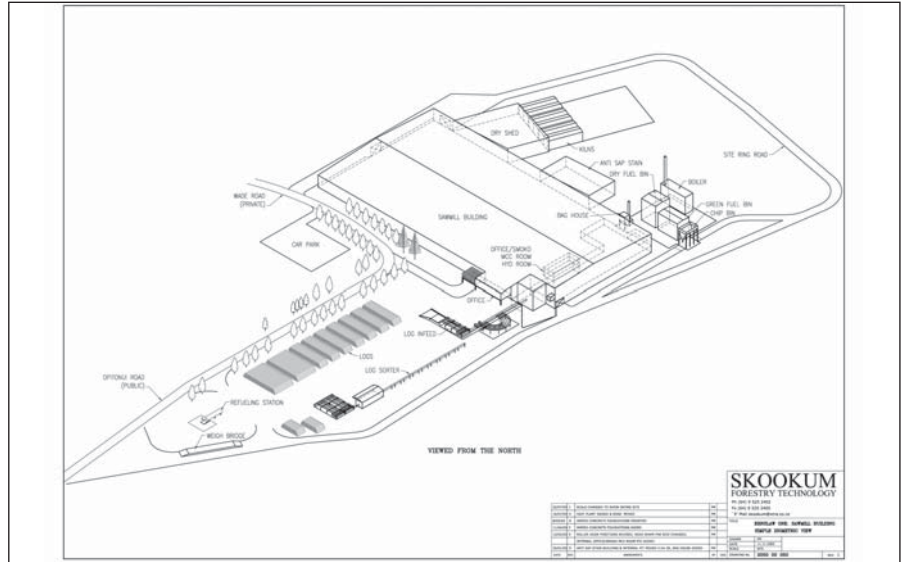
A variety of expert witnesses testified about air quality, noise, archaeology, traffic, visual landscape, Maori cultural issues, water quality, storm and waste-water issues and ecological effects on natural waters.

All, of course, matters one would quite properly expect to have taken into consideration.

Where then in the Court's decision do economic factors feature in this comparison of conflicting considerations?

One is hard put to find them, scattered throughout the 56 page decision mostly in the form of statements describing the proposed mill's operations and their scale. Nowhere is reference made to the \$30 million development cost, a fact that featured so prominently in the press comment.

The importance of the site is recognised: "We



Concept drawing of the rejected Blue Mountain lumber mill

The court's decision did not analyse many of the major economic or employment impacts of the proposed mill

appreciate that from the company's perspective the site is considered operationally suitable in terms of locational convenience, water availability and estimated cost of development. And with that in mind we have anxiously considered all factors that led the company to select the site in preference to alternatives that were canvassed. We are mindful as well of the potential for creating job opportunities at the mill."

But these 'pluses' were deemed to be outweighed by the environmental and social 'negatives':

"After due consideration, we are not convinced that allowing this project to proceed as proposed would serve the purpose of the RMA in terms of social and cultural well-being, but in so concluding we by no means overlook the economic aspect in terms of operational efficiency and the creation of employment opportunity that the mill would generate."

This last passage is particularly significant, effectively dismissing as it does in a few words, the economic relevance of the venture.

Where is the robust and detailed analysis, at least on the scale accorded all the other matters referred to, to demonstrate "a comparison of conflicting considerations and the scale or degree of them, and their relative significance or proportion in the final outcome"?

Where is there consideration, for example, of:

- The annual sales likely to be generated by the plant

- The importance to the country's economy and forestry industry of value-added log processing
- The economic impacts of the proposed mill arising from the expenditure of the plant itself, its employees and contractors and the flow-on effects in terms of full-time equivalent jobs for the region and New Zealand
- An analysis of the value added per worker

There is none. Yet these are matters which need to be rigorously debated when decisions are made on major projects such as this.

The implication must be that evidence along these lines was not put before the Court. However, the Court does itself have power to call for such evidence if it considers it will assist it in its decision.

I do not wish to express a view on the merits of the decision itself, which may well have been proper. But I consider it is an example of the mismatch between the way that consents for significant projects can in practice be dealt with under the RMA process, and the way the public expects them to be handled. I suggest this mismatch should be cause for serious reflection.

*Brian Joyce is a senior partner at Clendon Feeney, a commercial law firm in Auckland. He has extensive experience in law and commerce with particular experience in resource management and forestry.*

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# Size and scale do matter

Converting more logs into added-value products is often portrayed as a simple quick-fix for all that ails the forest industry.

Few would argue with the need to add value. But making it happen is far from simple and far from quick.

Aligned against New Zealand processors and exporters are tariff and non-tariff trade barriers, a lack of knowledge of radiata pine in the marketplace, and much larger, better-funded competitors.

Dealing with these issues has been a major focus for Stephen Jacobi, who for three years until his recent retirement was chief executive of the NZ Forest Industry Council (NZFIC). He argues that this work needs to be continued by the new pan industry organisation, WoodCo.

Why? Because market access work benefits everyone in the sector. The benefits can't be captured by individual companies and even if they could be, it takes too long, is too expensive and is outside their area of expertise. Collective effort and scale are needed.

This is particularly true of multi-national WTO negotiations, where even pan-industry organisations need to work with other national organisations. He points to the Santa Catalina Group of forest product exporting countries, led by New Zealand, which has succeeded in getting forest product tariff reductions back on the WTO agenda.

While across-the-board tariff reductions would be useful, of particular concern are tariffs which escalate from almost zero for logs and newsprint, to up to 40% for added value products like panels, mouldings and kraft paper. South East Asian countries are particularly fond of these.

In North Asia, they are not such an issue. China and Japan have tariffs in the 5-10% range; similar to the levels New Zealand imposes on its imports. However, internal standards and regulations can form major non-tariff barriers to the sale of radiata pine for high-value end uses.

Jacobi says the NZFIC focussed a lot of its energy during its last three years on getting radiata included as an acceptable framing timber in the Chinese Building Code.

The code recognising radiata pine was published in 2003. Soon it will be followed by a Timber Construction Handbook, a Chinese government-endorsed users' guide to the Building Code.

The handbook includes the technical evidence that legitimises use of NZ radiata pine, a definition of the product and a correct ranking in terms of strength and durability against competing species.

The final element of the project, a Chinese standard recognising NZ machine stress-rated lumber under local building conditions, has been prepared and will soon be published in a technical journal.

Jacobi says it's taken countless hours and cost \$250,000, and there has been some criticism of the NZFIC putting all its eggs in one basket. But he says if you look at the potential rewards, it was the right decision.

Not that the China file can now be closed.

The NZ Wood Innovation Centre in Shanghai is intended to be an important showcase. But there is still a strong case for exporters working together, particularly in building awareness among manufacturers and consumers of how radiata can be used.

"Because of the scale of the communications challenge, market development is best done collectively. Of course, the final relationship building and selling is the job of individual companies."

And what should exporters be selling?

Jacobi believes it should be building systems, not just lumber. If a radiata plank from New Zealand simply replaces a conifer plank from Russia, our timber is still very much in the

low-margin commodity game. But if it is part of a building system which uses less material, is easier to construct, or offers other benefits to the builder, then it will be economic to pay more for radiata.

"That's where New Zealand's edge lies, with innovation."

After a career with Foreign Affairs & Trade, including postings in Paris and Ottawa; two years as Jim Sutton's trade adviser; and setting up the Trade Liberalisation Network; Jacobi feels it is time to move on.

He's now a consultant and hopes to have a continuing role with WoodCo, managing its market access programme in the short-term at least.

He's convinced the industry is setting up the right structures, with a strong Forest Owners Association being now joined by an equally strong Wood Processors Association. With these organisations supporting and funding WoodCo, the industry will be able to tap into substantial government funding through the FIDA.

"The Europeans, Americans and Canadians are doing a lot more than us in China. They have access to vastly more public funding and are running programmes and holding seminars supporting their timber industry exporters.

"But by being innovative and working together we can succeed against competition that is much larger scale than us."



Stephen Jacobi on location in China

New Zealand needs to be selling innovative building systems, not just lumber, or it will remain in the commodity game competing with Russia

## MDF book published

Where would modern household joinery be without Medium Density Fibreboard (MDF)?

It is now so widely used that many builders and householders are probably unaware it is a relatively recent innovation. Or that New Zealanders were among the MDF pioneers.

When the Canterbury Timber Products opened an MDF plant at Sefton in 1976 it was the first in the southern hemisphere and the first anywhere to turn MDF into a commercial proposition.

Although a dozen MDF mills had been built elsewhere, teething problems meant MDF didn't pose a threat to more traditional wood-based panels such as chipboard and hardboard. As a result of some crucial breakthroughs made by Dr Owen Haylock and his small but dedicated team at CTM, MDF swept the world.

The fascinating MDF story has been captured in a highly readable account by forestry consultant Piers Maclaren, who interviewed many of the first-hand participants.

*The Leading Edge* points out that unlike the highly variable biological resource it is manufactured from, MDF is a precision product with tight specifications. Because it is capable of being used in mass production systems, high-quality furniture and joinery is now within the reach of people of modest means.

*The Leading Edge* sells for \$43.50 incl GST P&P. Contact: NZ Institute of Forestry, PO Box 19 840, Christchurch, or NZIF@paradise.net.nz

## Campaign lights up



Rural Fire Authority chief Murray Dudfield says this summer's fire awareness campaign will be based on the 'Bernie' theme used last year. There will be a new poster and some of the images will be refreshed, but there will be little change in the TV advertisement.

The campaign, which is intended to have an across-the-board appeal also has a target demographic: 15-29 year old males.

The authority will spend \$160k on television and radio this year, including TV1, 2 & 3, G4 and Sky. Last year's campaign bonuses delivered 332% added value on a television spend of \$130k, advertising agency principal Tony Neilson says.

A survey this year will establish how effective the campaign has been in building public awareness. The relevance of Bernie to the target audience and the demographic itself (too old, too young?) will be measured. The findings will be used to shape the 06/07 strategy.

## Douglas-fir incorporates

Douglas-fir growers have applied to have their association incorporated.

The driver for setting up the DFA was a 2003 change to the building regulations. In a misguided response to the leaky homes scandal, all timber used in the external framing of wooden houses was required to be treated to H1.2 standard.

Douglas-fir growers have been lobbying ever since to have the regulations amended, on the basis that poor design and construction techniques are the real cause of leaky homes. Untreated Douglas-fir has been successfully used in house construction for more than 50 years in New Zealand.

The association has succeeded in convincing many local bodies to allow the use of Douglas-fir in external framing under a discretionary consent process as an 'Alternative Solution'. However their main objective is to change building standards so that Douglas-fir is a Department of Building and Housing (previously BIA) - permitted 'Acceptable Solution' for framing material wherever appropriate design and construction guidelines are followed.

Contact: DFA manager Andrew Karalus, Weyerhaeuser NZ Inc, Tel 03 543 8115 extn 828, email [andrew.karalus@weyco.co.nz](mailto:andrew.karalus@weyco.co.nz)

## Looking for a job?

If you're looking for a job, or trying to manage staff in a difficult economic climate, it might pay to have a look at FITEC's latest Forest Industries Labour Market Analysis Survey.

The 2005 survey provides a snapshot of the NZ forest industry and the issues faced by forestry businesses. In all, 346 businesses provided information about their revenue, current and projected employment numbers, employee demographics, industry vacancies and turnover, literacy and employee replacement costs.

The survey results are available as an overview of the NZ forest industries and also for each sector surveyed. Check them out at: <http://www.fitec.org.nz/labourresults/index.htm>.

## Indigenous tree data?

Tane's Tree Trust has been funded by the Sustainable Farming Fund to create a database of references to all research involving the growing of indigenous tree species.

The trust would like to hear from anyone who holds indigenous research data, or knows of others who do. It is interested in recording this information and discussing its future care and storage.

"We have anecdotal evidence which suggests that, at the dissolution of the NZ Forest Service, many staff saved material which would otherwise have been lost and may still hold this. Some retired officers may still hold material they were working on," says the trust's Ian Barton.

Contact: Ian Barton, Tel 09 239 2049, PO Box 1169, Pukekohe, or email [ibtrees@wc.net.nz](mailto:ibtrees@wc.net.nz)



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