



## Hopes for stored carbon in CP2

FORESTRY AND WOOD PROCESSING WILL BE ABLE TO PLAY A BIGGER ROLE IN COMBATING CLIMATE CHANGE IF THE CARBON STORED IN HARVESTED WOOD PRODUCTS IS RECOGNISED IN THE SECOND KYOTO COMMITMENT PERIOD (CP2) STARTING IN 2013.

At present, Kyoto rules assume that all the carbon stored in a tree becomes an emission the instant a tree is harvested. This is clearly not the case – forest products used in buildings or for furniture, or even buried in a landfill, may lock-up carbon for decades or even centuries.

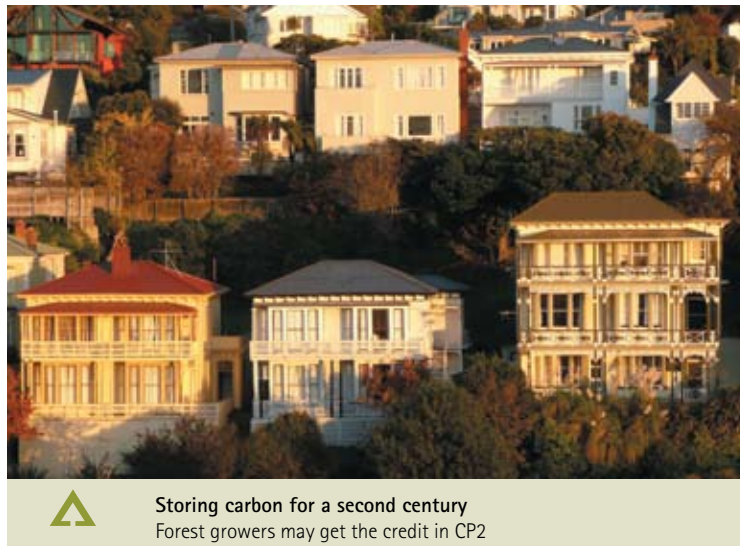
Recognising this in the rules for CP2 could make investment in Kyoto forests a much more attractive proposition. It would also be a great benefit to New Zealand's greenhouse gas ledger in the years ahead.

NZFOA chief executive David Rhodes returned from Bonn, Germany, in early June from negotiations which have started to shape the rules which will apply in CP2. He is optimistic of success in this area. But he's more cautious about the prospects of a rule change to allow for offsetting – harvesting a plantation in one area and replanting it elsewhere.

"New Zealand has made other developed countries aware of our land-use flexibility problems but it will be a challenge to get the rules changed for

just our benefit.

"ENGOs are nervous that it might be a new incentive for indigenous forest to be clear-felled and replaced with plantations. This is already a major concern in places like Indonesia where



Storing carbon for a second century  
Forest growers may get the credit in CP2

Photo: Epic Beer, Flickr

products and the potential for growing these further.

- Recognition of wood biomass as a substitute for fossil fuels and of harvested wood as a substitute for carbon intensive building materials.

Because of the major contribution of deforestation to increases in world greenhouse gas levels, the REDD (Reducing Emissions from Deforestation and Degradation in Developing Countries) agreement will be a cornerstone of the United Nations climate change policy for CP2.

"As it stands, REDD is essentially about developed countries paying developing countries not to deforest. But for developed countries it is a cheap form of mitigation and for undeveloped countries it offers a large and ongoing source of foreign exchange. So there are big incentives for

finding ways to make it work," says Rhodes.

Among the issues to be overcome:

- Finding a way to identify forests that really would have been lost without REDD from those that were never really at risk.
- Ensuring that native forests are not replaced by planted forests.
- Ensuring benefits flow to local communities rather than governments, so that the locals are part of the solution.

If REDD units are freely available in the market they will have a significant influence on the price of carbon. A study carried out for MAF last year estimates a price reduction of 50 per cent. However, countries such as the US those looking to utilise REDD units are more worried about the lack of credible units than an over-supply.

rainforests are being converted to palm oil plantations."

Nonetheless, Rhodes was successful in getting New Zealand's objectives included in a statement by the International Council of Forest and Paper Associations (ICFPA). This will be used by forest industries world-wide to help shape their national positions.

The statement says three elements are needed to make forests part of the climate change solution:

- Embedding sustainable forest management at the very core of the REDD (Reducing Emissions from Deforestation and Degradation) agreement, while allowing for some flexibility for harvested plantation forests to be relocated on non-forest land.
- Recognition of the long lasting carbon pools in harvested wood

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# Pellet deal may herald new era



By NZFOA  
chief executive  
David Rhodes

NEWS THAT MOUNT MAUNGANUI LOG EXPORTER DES WILSON FORESTRY HAS SIGNED A \$US757 MILLION 15-YEAR WOOD FIBRE SUPPLY AGREEMENT WITH SEA 2 SKY, A US CORPORATION, HAS SENT A RIPPLE OF OPTIMISM THROUGH OUR

## INDUSTRY.

The fibre will be used for the manufacturing and export of wood pellets, starting at 250,000 tonnes a year and increasing to 500,000 tonnes two years later. The deal is unlikely to be the last announcement of its type and indeed, reports from Northland indicate that another project of similar scale is being promoted.

Wood pellets have recently become highly sought-after, especially from Europe where carbon-pricing has given energy companies a strong incentive to replace fossil fuels with biofuels. But until now NZ operators have struggled to come up with an economically successful formula for biofuels based on whole logs or the wastes from log harvesting.

High moisture levels reduce thermal efficiency and with harvest wastes, contamination with soil and stones is a challenge. To date, the country's successful pellet plants have been based on timber mill wastes that are both dry and clean.

The Sea 2 Sky announcement follows the decision of pellet manufacturer

Nature's Flame, to develop a plant at Taupo with an initial output of 150,000 tonnes. This output, which may be dried with geothermal heat, is also largely destined for export.

With Sea 2 Sky still doing due diligence, there is inevitable speculation about how their operation will be structured, where it will get its supply, how much it will be paying growers and when it will start.

If these questions are adequately addressed, Sea 2 Sky's and Nature's Flames' operations hold out the promise of useful competition in the North Island for the lower quality logs that are otherwise only useful for pulp or chip. Add in an estimated 30,000 tonnes output from Nature's Flame's existing Rotorua plant and we are talking about a total of 680,000 tonnes compared with the country's annual output of 1.5 million dry tonnes of pulp.

Since the country's pulp mills as well as Nature's Flame draw their raw material from the central North Island, Sea 2 Sky would in an ideal world source its logs from an area where there are no economic outlets for pulp logs. The company is said to be exploring this option in confidence on the East Coast and elsewhere.

Large-scale wood pellet production has the potential to offer forest owners a more secure long-term income than log exporting, because demand is likely to be driven by energy utilities in developed countries. They, like forest owners, put high value on assured supply and stable prices.

The advent of large-scale wood pellet manufacture may be the first sign of



Photo: Scion



### The heat goes on

Wood pellets may be a big new source of demand

a long-awaited spring in our industry after a winter of poor log prices that has lasted for nigh on a decade. We will hear more on this at our conference in October.

With the world attempting to reduce its reliance on fossil fuels and petrochemicals, other drivers of demand for wood fibre will inevitably emerge as technology evolves and carbon pricing starts to bite. Already some very real commercial partnerships have been put in place between forest companies and liquid transport fuel companies – part of the on-going fibre, fuel and food convergence.

We also know that many millions of research dollars are being channelled world-wide into new technologies. These have the potential to drive demand for forest products from new sectors and in ways we cannot predict.

For example, cellulosic alcohol has so far failed to live up to its promise – largely because of low world petrol prices and US incentives for farmers to produce ethanol from food crops. But if the US incentives go and oil starts nudging US\$200 a barrel again, it may become a viable proposition.

Some scientists see a massive money-earner in lignin, the compound that sticks trees together and makes up 25% of a log. Lignin sceptics say you can make anything from lignin except money.

For forest owners it is hard to sort the science from the hype, but we do welcome new businesses when they set up shop here. Kia Ora Sea 2 Sky, welcome to New Zealand.

## Big conference in October

Register now for the joint 2009 NZ Forest Owners Association and Wood Processors Association conference in Nelson in October.

The joint conference brings the whole of the value chain together to share important information about the unique economic situation the New Zealand timber industry is facing.

Keynote speakers will include minister of forestry David Carter; Jim Carle, UNFAO, who will discuss the International Planted Forests Outlook Study; Gary Bull, University of British Columbia, author of *The Global Forest Products Industry 2012: Changing Times*; and Andre de Freitas, head of FSC International.

Other speakers will be announced as their attendance is confirmed.

Where and when? Seifrieds Winery and Vineyard, Redwood Road, Appleby, on Thursday and Friday 8 and 9 October 2009. The NZFOA AGM is being held on the Friday morning.

To register, go to [www.forestwood.org.nz](http://www.forestwood.org.nz). More? Contact conference manager Kylie Riley, tel 021 300 611, email [kylie@forestwood.org.nz](mailto:kylie@forestwood.org.nz)

## Hot competition for PGP funding

FOREST GROWERS WILL NEED TO DIG DEEP TO FUND THEIR SHARE OF INDUSTRY DEVELOPMENT PROJECTS CO-FUNDED BY GOVERNMENT.

The Primary Growth Partnership (PGP) was announced in the 2009 Budget. It replaces two of the previous government's initiatives – FIDA for forestry, and the Fast Forward Fund, for other primary industries.

“PGP puts all primary industries on the same footing, although the funding ratio has dropped from 3:1 with FIDA, to 1:1 for PGP,” says NZFOA chief executive David Rhodes.

“This presents some challenges in a tough operating environment but, even though forestry relies on voluntary levies for funding industry-good initiatives, the money will be forthcoming for priority areas where there is a business need.”

This year, \$30 million has been committed to the PGP. Of

this, \$2 million parcels have been allocated to specific sectors including forestry, \$5 million is committed to climate change research, and \$15 million goes into a contestable pool open to bids from all sectors.

“For NZFOA members it is positive to have the security of significant government funding in the medium-term. On the operational side, it is important that proposals for PGP funding from industry organisations are co-ordinated and mutually supportive. For this reason, they are expected to be channelled through Woodco,” says Rhodes.

Already, the key industry associations have identified NZ Wood, with its strong sustainability theme, as the single biggest forest industry project to be put forward this year (see story p 8). Other important areas have also been identified.

Also announced in the Budget was an Agricultural Greenhouse Gas Research Centre. Two of its three main themes will be methane and nitrous oxide emissions from livestock farming. The third will be soil carbon, an area where forestry can play a big part through the production of biochar.

## TRANSPORT

## Wins all round from new truck limits

AFTER 15 YEARS OF GOVERNMENT COLD FEET, A NEW BROOM IN THE BEEHIVE IS CONVINCED OF THE BENEFITS OF ALLOWING HEAVIER AND LONGER TRUCKS ON SOME ROADS.

Transport minister Steven Joyce has called for submissions on an amendment to the Land Transport Rules in order to allow trucks weighing from 50-62 tonnes on selected main highways.

This follows trials during 2008 and early 2009 of vehicles carrying more than the statutory limit of 44 tonnes. These showed productivity increases of 10-67%, a 16% reduction in the numbers of trips and a saving in fuel use of 20%.

“Allowing some trucks on some routes to carry heavier loads would mean fewer trucks on the roads. This would have the flow-on effects of reduced congestion and frustration for other motorists,” says Joyce.

The only forest industry trial involved wood pulp and sawn timber transport between the Pan Pac mill at Whirinaki and the Port of Napier using a B-train truck with a maximum weight of 62 tonnes, and maximum length of 24 metres.

This produced what one industry

observer has described as “stunning” results. If these are repeated elsewhere, it would mean a 67% reduction in the number of trucks that would otherwise be on the road and a 22% reduction in greenhouse gas emissions.

In December 2007 Cabinet agreed to trials on specified routes around the country. The new minister is so impressed with the results from these that he wants to see the productivity benefits captured from early 2010.

NZFOA transport committee chair Brian Pritchard says the proposed

changes are very positive. There are however a few aspects of the draft rule that need changing.

A requirement to install rear under-run protection frames on log trucks longer than 20.5 m with overhanging loads doesn't seem justified, based on incident records and experience. Also government infrastructure assistance is likely to be needed to get local bodies to give the consents needed before vehicles over 44 tonnes can be used on specific routes in their district.



Bigger and better – He ain't heavy, he's my brother



*There are high hopes that the government's Resource Management Act reforms will herald a sea change in the business of forestry.*

*The country desperately needs more forests to sequester carbon and to protect freshwater quality. But they will be planted only if forest owners know they can achieve a competitive return on investment. In a perfect market economy this would include an income from the environmental services they provide to other land owners and the wider community.*

*Forest owners also need to know that when they plant trees they will be able to harvest them without having to apply for arbitrary, costly and unfair resource consents. They therefore support the new government's call for a National Environmental Standard to deliver a common sense, practical and consistent way to apply the RMA to normal forest operations.*

*"We're not looking for a lessening of environmental standards, a free ride under the RMA or financial hand-outs," says NZFOA environmental committee chair Peter Weir.*

*"Rather, we are excited with the prospect that the RMA will return our sector to a regime of effects-based regulation potentially underpinned by audited self management. If this occurs, forestry will have a much brighter future, offering huge benefits for the country's economy and environment."*

## Progress at last for fresh water

PROTECTING THE QUALITY OF THE NATION'S FRESHWATER AND ALLOCATING IT IN A RATIONAL WAY IS NOT FOR THE FAINT HEARTED

The last government tried, but had limited success. Now new environment minister Dr Nick Smith is giving it his best shot as part of National's second phase of reforms to the Resource Management Act (RMA).

In a radical departure from what has become the normal Kiwi way of doing things, he's opted for a collaborative approach to policy development. Instead of banging away at each other from their respective corners, advocacy groups are being encouraged to spend the next 12 months working together in a Land and Water Forum to come up with many of the answers.

It's an approach that's been used successfully in Scandinavian countries and is being trialled by some regional councils. As Smith acknowledges, forest owners and conservation groups

pioneered the approach in New Zealand with the 1991 Forest Accord, but this is the first time it's been used by government for national policy development.

As the Land and Water Forum process develops, forest owners may be able to build a case for deriving an income from environmental services they provide to other land owners or the wider community. This may come about through rates relief (Ed: pigs may fly) or through the development of ecosystem service markets. Carbon is an example of such a market, albeit with some problems for NZ politicians.

The other big change sought by forest owners is a National Environmental Standard (NES) for forest management under the RMA, with permitted activity conditions based on the compulsory rules in NZFOA's Environmental Code

of Practice (see panel).

Peter Weir says policies and regional plans based on the perceptions of those that control the votes on regional councils haven't been good for forestry.

"Forest owners, along with many other groups involved in the forum, look forward to working with officials from the Ministry for the Environment and the new Environmental Protection Agency on the development of sound policies that have a much higher degree of objectivity and balance than those contrived by many councils to date."

In a Cabinet paper, *A new start for freshwater*, Smith and agriculture & forestry minister David Carter say greater restrictions on land use will be needed in order to improve water quality in many catchments. They also say the first-in first served water allocation



model will be replaced.

Their proposed water allocation model will involve setting an ecological bottom line for each water resource. After allocations have been made for public purposes such as drinking water, economic benefit will be maximised from the water that remains.

Doing this for the innumerable catchments around the country will involve communities making trade-offs among competing local interests. In those regions like Canterbury where regulators have annexed property rights in respect to rain falling on forested land, the NZFOA will engage in an effort to get those rights restored to forest owners who bought land for planting in good faith.

Fixing water quality is likely to be an even bigger challenge.

“Poor or declining water quality has already created direct costs, such as the nearly \$450 million allocated over the next 10 to 20 years to the cleanup of Lake Taupo, Rotorua Lakes and the Waikato River, and can constrain economic opportunities,” say the ministers.

“One of the most significant challenges is the strong link between some forms of land use intensification, water use and water quality decline. Even maintaining the status quo in water quality in some catchments may require changes in land use, not just the application of current best practice to existing uses.”

Robust mechanisms will be developed to decide who has a ‘right to pollute’, and where. Market-based instruments and regulations will be used.

As the ministers acknowledge, it is not economically feasible to fully rehabilitate every water body in the country. Maintaining an acceptable level of environmental health, based on clearly defined science-based targets, will be the norm for most.

The Land and Water Forum, at the request of Nick Smith, is being based on the work of the Sustainable Land Use Forum – a body set up by the Environmental Defence Society last year. It is chaired by Alastair Bisley, a Victoria University-based consultant with a distinguished career in the public service.

Peter Weir is the NZFOA representative. Along with other sector representatives, he will be required to keep forum discussions confidential until after it has reported to the minister in about 12 months.

## An NPS for freshwater

THE DEVELOPMENT OF A NATIONAL POLICY STATEMENT (NPS) FOR FRESHWATER MANAGEMENT IS ONE OF THE FEW SURVIVORS OF THE PREVIOUS GOVERNMENT'S ATTEMPTS TO COME TO GRIPS WITH A CONTENTIOUS RESOURCE.

National Policy Statements are RMA-based tools designed to guide local government in the implementation of environmental standards.

Environment Nick Smith says good progress has been made with a draft freshwater management NPS and has the support of iwi, so it will be used to guide the implementation of the new government's freshwater policies. Submissions on the draft are now being heard by an independent Board of Inquiry that is expected to make its recommendations in January 2010.

The NZFOA submission asked for the NPS to include the answer to the question, “Who owns the rain that falls on planted forests?” The answer is needed in order to determine whether regulators have the right under the RMA to restrict forest planting in low water yield catchments, so that instead of growing trees in the hills the water can be used for the benefit of other landowners, downstream.

The association requested that the section in the draft NPS that requires local councils to “control land use development”, to be amended to “control the effects of intensive land use”.

NZFOA senior policy analyst Glen Mackie says the NPS as drafted would focus solely on land development rather than all land use. This would entrench existing land use practices regardless of their impact on the environment. Polluters prosper under that model.

“Clearly, we want to see RMA polluter-pays principles applied to all land-uses, otherwise there will be no incentive for land owners to adopt low impact land uses like forestry,” he says.

“Land use flexibility has always been critical to the ability of the NZ economy to adapt to changing mar-

kets. If a land owner receives a good offer from someone who believes they can economically convert a forested block to, say, dairying or a golf course, this is good for the economy and should be encouraged, so long as the environmental impact of that new land use has been addressed.

“However an issue arises if a regulator believes for example that the land needs to stay in trees for environmental reasons. This may be to maintain lower water temperatures, to prevent an increase in flood peaks or soil erosion, to maintain water quality by preventing the increase in nutrient run-off that accompanies intensive pastoralism or to maintain drinking water standards for downstream communities.

“In such cases the regulator needs to be prepared to buy the land under the Public Works Act or create a system whereby the land owner receives an income for providing that service. When councils contemplate locking the land in trees, it's effectively a regulatory taking. Its easy to do, but it's unfair and in the long-run is self-defeating.”

Mackie says that in the case of Taupo, land owners with trees are being forced to subsidise those who benefit from the environmental services that planted forests provide. It's a huge disincentive to plant trees if there's a risk that future regulators might decide they're a community asset that can't be removed or economically harvested.

“No-one should be compensated for adopting sustainable management practices, as that strikes against the OECD's polluter-pays principle that underpins the RMA. But equally, no private land owner should be left uncompensated when required to provide a service that is primarily for the benefit of others, or to mitigate the environmental effects of the activities of others.”



Glen Mackie  
Polluters must not be protected



## NES for forestry in prospect

FOREST OWNERS HAVE LONG ADVOCATED FOR A NATIONAL ENVIRONMENTAL STANDARD FOR PLANTATION FORESTRY, BUT HAVE BEEN UNABLE TO CONVINCe SUCCESSIVE GOVERNMENTS OF THE MERITS OF THEIR CASE.

That's all changed. As part of the new government's Phase 1 RMA reforms environment minister Dr Nick Smith says much greater use will be made of RMA-based National Standards in the future.

He's also appointed a stakeholder group to discuss the need for and potential scope of a forestry NES with officials from the Ministries for the Environment, and Agriculture and Forestry. The group includes representatives from the NZFOA, Fish and Game, iwi and local bodies.

At present, activity-based plan rules vary from region to region and across land uses, and in many cases land owners have to apply for costly and time-consuming resource consents for normal forest operations.

Regional and district plan rules are significant barriers to new planting, especially by overseas investors and fund managers, says NZFOA environmental committee chair Peter Weir.

"Investors need a high level of certainty that land they buy for forestry can actually be planted and then harvested. Existing use rights therefore need to be enshrined in the NES – allowing for road and landing construction, and then the harvesting and replanting that will inevitably follow the planting of a forest – albeit 30 to 100 years and many

plan changes later."

Rules need to be consistent across regions, and based on science and best practice.

"An NES will help restore the regulatory balance between pastoral farming, which normally requires no consents for normal operations and plantation forestry which is wrapped up in red tape," he says.

Because of the huge costs that can be incurred in getting consents, land in forestry is devalued relative to similar land that is being farmed. For example, it cost \$1 million for the owner of a 10,000 ha forest on the Coromandel Peninsula to secure and defend its operating consents. On an ongoing basis they also have to shell-out almost \$100k a year for compliance. No pastoral or arable farming operation in the area faces comparable costs or obligations, yet over the whole rotation of the crop, forestry as a land use has significant positive environmental effects.

Weir says that permitted activity conditions in a forestry NES may draw heavily on the compulsory rules in the association's Environmental Code of Practice that was rolled out 18 months ago, and on guidance in the older Logging Industry Research Organisation forestry roading manual. There will be plenty of work undertaken with officials



### Cleaner streams and unfair rules

No consents are normally needed for farming, while forestry is wrapped in red tape

and consultation with the minister's stakeholder working group about the measures needed to achieve defined levels of environmental performance.

"Acceptable stream sediment levels have long been a vexed issue especially when roading in erosion-prone terrain. Although independent studies have repeatedly shown that forestry over time produces less than a third of the sediment run-off as pastoral farming, issues remain over peak sediment discharges that occur during roading and harvest.

"If a major storm hits steep hill country immediately after earthworks or harvest, some soil erosion is inevitable with quite high, short-duration spikes in sediment discharge possible. Even native forest on steep country suffers landslides and soil loss in a storm," says Weir, a forest hydrologist.

Other issues will include setting permitted widths for set-backs in riparian areas, and along boundaries and roads, and whether agrichemical use should be regulated in the NES.

The MfE-led group developing the standard has been asked by NZFOA to develop a hierarchy of permitted activity standards for easy, medium and high risk situations. Weir says these need to be robust, defensible and cost-effective, with triggers based on objective, consistent risk-based criteria.

Weir says a small stakeholder group is working on a set of draft permitted activity standards that will be considered at the next meeting of the NES working group in late July.



### Another professionally-built forest road

Forest owners who meet audited standards should be able to build roads without having to apply for resource consents

# Major challenges face Copenhagen talks

## IT'S PROBABLY THE BIGGEST CHALLENGE OF OUR TIME.

Will world leaders reach agreement on targets for reducing greenhouse gas emissions that are big enough to avert catastrophic changes to the world's climate? Negotiations come to a head in Copenhagen in December when agreement will be sought for targets and rules for the second Kyoto commitment period (CP2) starting in 2013.

NZFOA chief executive David Rhodes who attended UN climate change talks in Bonn in June, expects agreement to be reached but says achieving targets that in aggregate reach even the minimum reductions sought by the International Panel on Climate Change (IPCC) will be a big ask.

"There is space for movement at the three formal negotiating sessions between now and Copenhagen, but there is a mountain to climb to do it," he says.

"The irony is that the final outcome is likely to be heavily influenced by two countries that aren't formally part of the protocol talks – the United States and China. Whatever they nut out between them will send a signal that both developed and developing countries won't be able to ignore.

"While New Zealand has been successful in progressing forest-related issues (see front page story), this is meaningless unless the major economic players reach agreement on acceptable targets and the rules for achieving them."

The aim of the exercise is to stabilise carbon levels in the atmosphere at below 450 ppm so that global warming is limited to no more than 2 degrees C. To achieve this, the IPCC says developed countries need to reduce GHG emissions 25-40% below 1990 levels by 2020, and 80-95% below 1990 levels by 2050.

"On the latter target there is wide-spread agreement. For 2020, most developed countries have offered a commitment in the range of 16-24% – below the minimum set by the IPCC. So the question is, will they move further before, or at, Copenhagen?" ponders Rhodes.

Comparing commitments is difficult because, among other things, countries have tagged their commitments with conditions. Australia, for example,

has committed 25% so long as other countries do likewise. It is likely New Zealand will qualify its commitment when it is announced in August.

New Zealand, along with Australia, Canada and the United States, has some of the highest per head GHG emissions in the world. They have also increased faster than most other countries since the Kyoto baseline year of 1990 ... in part a reflection of New Zealand's rapid population increase in that period.

in the foreseeable future, if ever.

The Waxman Markey Bill (American Clean Energy and Security Act 2009) was passed in late June by the US House of Representatives and has yet to go through the Senate. This will enable up to 50% of domestic emissions to be offset with offshore credits.

Importantly, REDD units have been provided for in a big way in the US Bill with a percentage of emission allowances being set aside "to provide



Photo: blog.jmcbr, Flickr



### A statue in Copenhagen's Churchill Park

Greenhouse gas emission targets for 2020 will be the focus of UN climate change talks in Copenhagen in December

"With business as usual emissions expected to be 40% above 1990 levels by 2020, targeting even a 20% reduction below 1990 levels will be a significant challenge for New Zealand," Rhodes observes.

Whatever target is offered will require compelling arguments to convince others that New Zealand is playing its part.

"Things like our population increase and the major part farming plays in our emissions profile will doubtless be used in the presentation of New Zealand's case, but ultimately we will have to declare a credible target," he says.

The US has been participating in recent Kyoto Protocol discussions even though it only has observer status and it is clearly interested in establishing a level of integrity around the inclusion of forestry in the convention. Nonetheless it is unlikely to join the Kyoto club

incentives to reduce deforestation in developing countries".

"In theory a significant reduction in the cost of reducing emissions provided by REDD could allow the US and other countries to take on more stringent targets and keep the price of carbon about the same, but the chances of this seem remote," comments Rhodes.

"NGOs are concerned that if REDD credits are available en masse then developed countries will access this cheaper option ahead of investing in new emissions-reduction technology. The US on the other hand appears more concerned that there won't be enough of these credits available.

"Clearly the relationship between the US market and the EU trading system is very important and the proposed inclusion of forestry by the US can be expected to cause the EU to review its policy of not including forestry."



## NZ Wood rolling on

The highly successful *NZ Wood* programme is expected to continue for at least three more years, with the help of government PGP funding and matching contributions from the forest and wood processing industries.

*NZ Wood* was initially funded by industry and government until the end of 2009. But Woodco chairman Doug Ducker says there was always a 10 year horizon in mind.

"While its form and targets may change, we are only 30 months in with tremendous successes evident in awareness and profile of our super product."

He says the industry is showing great resolve in these difficult economic times to keep the programme rolling. While the details of who will be paying what are still to be finalised, the decision to proceed has been made.

The aims of *NZ Wood* are to increase wood use and to promote forests and wood. In the last two years, positive changes have been tracked in both these areas as the programme has really gained momentum.

So where to from here?

"2010 - 2012 will see a strong push towards consumers, particularly in the areas of promoting wood for building projects in and around the home and for new builds," says NZFOA senior policy analyst Glen Mackie.

"In the non-residential area the focus will be on low-rise commercial buildings. BRANZ has identified a number of building types that are particularly suitable for being built with wood -- especially structural wood and engineered wood products."

In addition, there will be a strong focus on the environmental benefits and credentials of forests and wood.

The *NZ Wood* brand advertisement with its panoramic shots of radiata pine forests will continue to air on the main TV channels. The carbon absorption and storage benefits of forests and wood will be reinforced and promoted and there will continue to be an emphasis on encouraging pride among New Zealanders in our sustainable plantation forest resource.

[www.nzwood.co.nz](http://www.nzwood.co.nz)

## Forestry game draws students



FITEC has developed a new computer game to entice school students into the wonderful world of wood. Running on similar lines to SimCity™ the game allows players to develop and build a forestry and wood manufacturing business by simulating key aspects of the wood industry.

"Students at the Te Puke High School Trades Day Expo thought it was cool," says national careers manager David Trought.

Trought says players select where to place their harvesting operations and then have to decide where to place key processing plants such as a saw mill, a pulp and paper plant, etc. The aim is to maximise scores for three elements - profit, protecting the environment and creating jobs, he says.

FITEC chief executive Ian Boyd says the game is an important way to engage with young people and raise their awareness about career opportunities in the wood industries.

## Safety plan revitalised

In the past decade, the forest industry has significantly reduced the number of accidents resulting in serious injury. However in recent years progress has slowed. The challenge now is to get all involved to refocus on injury prevention and continue the drive toward the objective of Zero Serious Harm.

The NZFOA Safety, Education and Training Committee has released a draft of a Strategic Safety Plan to take up this challenge. Safety Culture & Leadership and Safety Simplification are the key themes, along with eight improvement projects that will be executed over the next two and a half years.

The plan will focus on improving leadership, safety culture, worker capability and simplifying codes, standards, guidelines, plans and work rules. Enforcement will also be examined, with a view to strengthening and aligning recognition/incentive systems between the industry and various government agencies. Benefits of improving performance in these areas will include reduced harm, reduced costs and increased productivity.

Of particular relevance to the plan is the Workplace Culture, Leadership in Forestry pilot project, a co-delivered (DoL/ACC/PF Olsen & Co) initiative that began in July 2008. It has involved 20 forestry management companies and contracting businesses. Project findings have highlighted the fact that organisational culture and related fundamentals - such as communication, planning and work organisation - are critical areas of focus for improved safety and productivity performance.

In all, the project identified 12 key safety culture elements. It is intended that these will be developed under the NZFOA plan into a resource that can be used to coach high performing individuals and crews to be uncompromising in their approach to safety.

*Feedback on the draft plan is welcome. There is a link to it on the home page of the NZFOA website. To become involved in any of the projects, please contact [Wayne.Dempster@rayonier.com](mailto:Wayne.Dempster@rayonier.com)*



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