



Forestry – a nice place to be



Photo: Augapfel/Christopher, Flickr



Bamboo harvesting in China

China's insatiable demand for wood fibre will create a global wood shortfall

AFTER 18 MONTHS OF GENERALLY STRONG DEMAND FOR LOGS, A QUIET CONFIDENCE HAS RETURNED TO THE FOREST INDUSTRY.

No-one would be foolish enough to hype prospects at a time of great global economic uncertainty, but the evidence points to forestry becoming an increasingly viable land-use on hill country in both islands.

The biggest driver is increased demand for logs from China and India, backed by Japan and Korea. Lower shipping rates are also helping at present.

The second big driver is the ability, under the New Zealand Emission

Trading Scheme (ETS), to get cash flow from the sale of carbon stored in forests planted since 1989.

In the first six months of 2010, the NZ log harvest reached record levels, driven by anticipated Asian demand. Unfortunately, the Chinese Government was cooling the pace of its economy at the time and market inventories became overloaded. This led to an abrupt drop in log prices, cushioned somewhat by increasing demand from India and Korea.

Most observers see this situation as a temporary blip. According to the Vancouver-based International Wood Markets Group, after 2011 there won't be enough logs available globally for China to meet its economic growth targets, putting inevitable upward pressure on prices.

Zhang Zhongtian of the Chinese State Forestry Administration, speaking at the Asia-Pacific Forestry Commission workshop in June, said China aimed to become 80% self-sufficient in wood fibre by 2020. But this would still leave it about 140 million m³ short.

To put this deficit in context, New Zealand's total current export volume is about 10 million m³, of which about 6 million m³ goes to China, making us their second biggest supplier.

New Zealand's exports to China have

grown by about 400% in the last four years. Meanwhile the market share of the leading supplier – Russia – is expected to continue to fall on the back of steep export taxes (currently 25% on softwood and 40% on hardwood sawlogs).

Whether Chinese demand will grow as fast as predicted, depends on a raft of unknowns. In the short-term, China is using its massive foreign reserves to prevent it from coat-tailing the western world into the second dip of a world recession. At the same time it is endeavouring to gently deflate a real estate bubble fuelled by easy access to cheap credit. Doing that without causing a consumer and real estate spending bust will really test their mettle.

In India, economic growth continues to be impressive and with it, demand for NZ logs – albeit from a relatively small base. Growth there shows no signs of abating, indeed the Indian Government is struggling to keep a lid on it in order to dampen down inflation.

Another long-term positive is growing demand for truly sustainable bio-fuels like plantation logs, mill waste and harvest residues. Inevitably, as the ETS bites and fossil fuels become more expensive, demand from wood pelleters and other bio-energy operators for these raw materials will increasingly underpin the bottom end of the log market.

At the top end, the forest industry expects the promotion of wood as a sustainable building material will be reflected in growing demand for pruned logs, especially from NZ mills. While a strong export log market is essential in a country with a population as small as New Zealand's, the highest returns for high quality logs invariably come from domestic mills.

An analysis of New Zealand's economic performance in recent decades, by David Grimmond of Infometrics, indicates that New Zealand is paying dearly for its under-investment in forestry and wood processing – industries where we have a competitive economic advantage. Finding new ways to profitably capture this advantage will be a major focus of future industry research and development (see story p6).

The jury is still out on the long-term influence of the ETS on the shape of the

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Reforms give lie to easy-as-she-goes



By FOA
chief executive
David Rhodes

THE GOVERNMENT DIDN'T ROCK THE BOAT AFTER IT ASSUMED THE HELM. NOW IT'S CLEAR THAT THE ORDER HAS BEEN GIVEN TO HOIST THE SAILS.

Tax and labour law reforms have attracted headlines, but there are some equally important changes underway in the engine room of the economy that have had only passing mention in the media.

Reforms to resource management laws and practice – including establishing an Environmental Protection Agency, giving greater prominence to national policy instruments and general paring back of red tape – are quite fundamental and long overdue.

If these reforms work as intended, forest owners and wood processors will operate with much greater business certainty and lower compliance costs. This may mean stricter environmental standards in some regions, but that has never been the issue for our industry – we just don't want to go to court to find out what those expectations are.

The FOA has committed to the Land & Water Forum that is due to report shortly. It has been a unique exercise in collaborative decision making, but the real test will lie in the strength of its recommendations. Will they lay the groundwork for sound national water policy, or be a repeat of the tepid attempts we have seen in the past? The government is relying on the former.



Photo: Chantani, Flickr



Good to see the sails hoisted

If the government does as well as Emirates Team New Zealand in the Louis Vitton series, the country will be on a better tack than it has been on for many years

Meanwhile forestry now has company in the Emissions Trading Scheme. The compromise path chosen by government means we have an ETS based on intensity of emissions, rather than absolute emissions which allows some growth without cost. In addition the government has covered the vast majority of emissions to ensure that export competitiveness is not put in peril.

The relatively muted responses from lobby groups to these compromises suggests the government has pitched its ETS policy about right. In other words, there are equal levels of unease on all sides of the debate.

An unfortunate aspect of an intensity-based scheme is that those who began emissions reductions many years ago are effectively penalised for being early movers. Wood processors are a prime example.

One or two critics of the ETS have

complained that paying forest owners to sequester carbon is a subsidy. If forest growers faced no obligations for this reward that might be true. But of course they do face obligations – rather large, legally binding and unpredictable ones.

Nevertheless the scheme can provide forest owners with an income stream from the sale of carbon units. While many of these units have to be returned at harvest decades later, the 'time value of money' is sufficient to turn the economics of some forestry on its head. Many farmers and farm foresters have already worked out what this means for their cash flow and we can expect to see some improved returns on some marginal land as a result.

Meanwhile, the winds of change are blowing through industry training organisations (ITOs) and publicly funded science.

All ITOs and crown research institutes are being made much more accountable for the impact of the public money they spend. Quality output and relevance are the new measuring sticks.

For the Forest Industry Training and Education Council (FITEC) that has already meant an increased emphasis on ensuring that trainees complete their courses (see story p7).

In case there was ever any doubt, this indelibly stamps FITEC as 'our' training organisation. It will lead to a greater opportunity (and responsibility) by industry to provide feedback and input into course design and content.

Fundamental changes are also occurring in the world of publicly-funded science (see story p6), particularly in

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NZ forest industry. Some existing Kyoto forest owners have sold substantial volumes of carbon credits and in doing so, are committing themselves to the industry for the long haul. But only limited areas of new carbon forest have so far been planted. These are mainly on smaller blocks by hill country farmers who can see the multiple financial and soil conservation benefits of plantations that have both carbon and wood income streams.

Larger-scale and more widespread plantings will depend on greater certainty about climate change policies, both locally and globally. Also, a self-funded force majeure insurance scheme is needed to cover carbon foresters against the loss of their forests from exotic pest attack, volcanic eruption or other catastrophe. The government is best-placed to do this.

Putting this issue to one side, along with understandable concerns about making long-term investments in a very uncertain world, forestry is in a good place once again. It's a nice place to be.



the CRIs. Required by law to be profit making and to compete for public good science funding with other providers, in the last two decades the CRIs have become increasingly distant from the sectors they are meant to serve.

The decision of the government to provide CRIs with assured long-term funding and to make them accountable to the sectors they serve, provides the incentives needed for CRIs to refocus their priorities and to rebuild relationships.

Another outcome of the government's pursuit of increased productivity and greater efficiency in the economy, is the recent change to mass and dimension rules that apply to heavy vehicles – a process our association has been heavily involved in. A few applications for specified routes have been approved and while we hope many more will follow, the potential is limited by the state of our highway infrastructure.

The decision early in the government's term to move ahead with infrastructure development as part of its recession-fighting strategy was a good one. Rebuilding and upgrading our roading and rail networks is a major financial challenge, but there is no option – the country relies on the efficient movement of products to processors and ports.

The current review of Road User Charges (RUC) is also important. Minister Joyce is to be commended for pursuing an overhaul of a system that has become too costly, administratively complex and inequitable.

If this brace of reforms was not enough, the country's energy, energy conservation and bio-energy strategies are under review. Of the four priority areas defined in the energy strategy, a secure and affordable supply is top of the list from our industry's point of view.

Official recognition that all biofuels are not necessarily 'clean and green' is both overdue and welcome. We now look forward to seeing forest residues playing a bigger role in our energy future.

The speed and breadth of reforms mean many lobby groups resources are stretched trying to assess and contribute to policy development. And undoubtedly some headwinds – such as next year's general election – lie ahead.

Still, it's nice to feel water moving under the keel of the good ship *New Zealand*. The forest industry is pleased to be on board.

One-stop commercial design

EXTENDING THE USE OF WOOD INTO THE CONSTRUCTION OF COMMERCIAL BUILDINGS MAY ALMOST BE THE LAST FRONTIER FOR WOOD USE BUT, AS WELLINGTON'S OLD GOVERNMENT BUILDINGS SHOW, IT'S NOT AS IF WOOD HASN'T BEEN TRIED AND TESTED IN THIS CONTEXT ALREADY.

However, NZ Wood's soon-to-be-established Timber Design Centre aims to make the job easier for property developers, engineers and architects.

NZ Wood programme manager Geoff Henley says the steel industry traditionally provides technical advice on the use of their materials in construction. The aim is to provide the same sort of 'one-stop-shop' for the use of wood in non-traditional or commercial construction.

With the generous help of consultant structural engineers, the Timber Design Centre's core purpose is to help 'convert' developers to a wood construction option. The centre will provide free concept feasibility advice, demonstrating the possibilities offered by modern wood construction technologies.

It will also provide general technical and engineering advice on the use of wood in non-residential buildings.

Participating engineering consultancies include the four major firms; Beca, Aurecon, Opus, Holmes as well

as specialists Mark Batchelar, Alistair Cattanach and Tony Loughnan. A coordinator is also being recruited.

There are currently around 5000 'non-residential' or commercial buildings built in New Zealand each year – although this classification includes hostels, hotels and motels. Around 15% of these are built with timber frames (in terms of building area), 30% with concrete and 55% with steel.

This compares with housing, where timber accounts for around 93% of frames (up from 88% since the start of the NZ Wood campaign).

Of the other categories of non-residential building, farm buildings account for over 1000 of the near 5000, followed by factory, warehouse, office and retail at around 600 – 700 each.

The centre is expected to also have a close relationship with university engineering schools such as that at Canterbury, and the Structural Timber Innovation Company (STIC) which is researching and promoting new construction technology.

Geoff Henley says wood has proven credentials in a wide range of non-residential construction, with unsurpassed environmental benefits.

The aim of the centre is to support and encourage property developers and engineers, who may be less familiar with using wood in these contexts, that wood is not only a viable choice, but that it's the best choice.

Winter skin for Bernie



NZ Wood has produced winter 'skins' for the 'Bernie' or 'grapefruit' roadside fire danger signs that sit next to forests around the country. Forest owners have a choice of skins with or without the globe and hands graphic and with or without their own company logos.

Renewed safety effort is getting results

LOGS, HEAVY MACHINERY, CHAINSAWS, AXES, WIRE ROPES, WINCHES, UNEVEN GROUND AND FALLING BRANCHES ARE JUST SOME OF THE POTENTIAL HAZARDS OF THE FOREST WORKPLACE.

So it's hugely rewarding to be witnessing a fall in the industry's accident rate at a time when the area harvested has increased – much it on steep and hazardous terrain.

"The 318 entitlement claims for the year to 30 June were the lowest ever for a 12 month period. The previous lowest was 328 in 2006/07," says ACC's Don Ramsay.

"Considering that the March quarter harvest was an estimated 5.5 million cubic metres, the largest-ever volume for that quarter, this is no mean feat."

He says the forest industry is doing incredibly well and the guys who are driving it – the Nic Steens, Wayne Dempsters and Les Baks of this world – deserve to be recognised.

Ramsay is optimistic that this year, building on three consecutive downward trending years, the 300 barrier will be cracked.

Improved workplace safety has long been a major priority for the Forest Owners Association. In the early 1990s a Code of Practice for Forestry Operations and a series of best practice guides were developed which led to a significant drop in accident rates.

But by the mid-2000's rates had plateaued. Since the target has always been zero accidents, the FOA Health and Safety Committee decided in 2007 to go back to the drawing board and review everything.

"After nearly two decades of legislation and industry safety codes, we'd managed to complicate things, especially for our contractor workforce. In their opinion safety had become associated with reading manuals and form-filling, to the extent that real practical safety stuff was being neglected," said committee member Nic Steens at the time.

The review aimed to identify those practices which work well. Contractors would be deeply involved, he said.

In 2008, the industry, the Department of Labour (DoL) and ACC held workshops in Rotorua and Nelson. After dissecting all forestry operations it was agreed that of the 12 elements needed to ensure safe practice, the industry was doing three really well and the others, not so well.

"The FOA's Nic Steens and I then went to the Tiwai aluminium smelter, which had been through a similar process. They had good engineering and good procedures but they realised they needed to change the workplace culture if they were going to get accident rates down," says Ramsay.

"Forestry is not a controlled environment like a smelter, but the lesson was the same. We needed to change the culture. All of us want the industry to be a safe place to work, where parents are confident that their sons and daughters will come home safe at the end of the day."

In the last two years, the benefits of the safety review have been reflected in a renewed fall in accident rates.

"There has been no silver bullet," says Ramsay. "We will get closer to our target of zero by a combination of lots and lots of things. The most important of these is to have forest owners, contractors, DoL, FITEC and ACC working together."

The upgrading of IRIS – the FOA's accident reporting scheme that enables employers and supervisors to learn from the experience of others – has played a part in this, says Ramsay. As has

the widespread adoption of the Drug & Alcohol Code, backed by random testing.


But even more important are culture change and the simplification of safety rules. These are the main objectives of the FOA's 2009 three-year strategic safety plan.

Health & Safety Committee member Wayne Dempster says 12 safety culture elements should be present in all forest operations, with three of them – management leadership commitment; safety systems and procedures; and communication – most critical.

A Growing a Safety Culture 'tree' graphic has been produced (see illustration) and this will soon be available as a poster. However, he says crews and businesses first need to have an understanding of their existing safety culture.

"To assist with this, a simple snapshot survey tool for assessing safety culture has been developed with the Department of Labour. It helps a business or work crew get an initial handle on their safety culture and to identify where the opportunities for improvement lie. It can be completed in just 10 minutes and will soon be available on-line,"



 Breaking out on steep hill country is one of the riskiest tasks in forestry. A team of FOA members, contractors and ACC and Department of Labour officials is pulling out all stops to make the job as safe as possible.

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Dempster says.

A second assessment tool now being developed will enable forestry crews – with the help of a facilitator – to make a deeper assessment of their safety culture and to identify where opportunities for improvement lie. The assessments will take about an hour and can be completed on-site.

Training resources for each of the 12 safety culture elements will be available later this year.

Breaking out initiative

Also underway is an initiative led by Don Ramsay, Francois Barton from DoL and representatives from the FOA, in which the 12 workplace safety culture elements are being applied to a practical task – cable logging breaking-out – with the aim of reviewing best practice.

One aspect of this – how to calculate a safe distance to retreat during the drag – was identified in focus groups around the country as an important issue. In Nelson, Les Bak is developing a risk scoring tool crew members can use to do this.

“Meanwhile, on the East Coast a number of crews are trialing a flag system to establish a safe zone. The flag is positioned 1.5 tree lengths (45 m) from the drag, with the flag acting as a reference point for breaker-outs to retreat to,” says Dempster.

ACC’s Dr Hillary Bennett recently took draft behavioural standards for breaking-out to an industry workshop in Rotorua for feedback. After making a few minor corrections these will now be taken back to the original focus groups for feedback.

Dempster says this example demonstrates the many elements that need to be applied to a single task if safety is to be maximised.

“It’s great to see so many people working on a solution to one of the higher risk tasks when logging in steep country. Eventually the good ideas and improvements that come out of this exercise will find their way into improved safety rules, best practice guides and training materials.”

Safety simplification

Industry experience shows that complicated and overlapping rules and codes do little to improve safety. Hence the FOA’s focus on safety simplification.

FITEC’s Mark Preece and DoL’s Demi Naylor have taken the lead on this project. An initial goal was to draft a single condensed information source for each activity with the aim of rationalising and clarifying work standards. However, user feedback has strongly endorsed retention of the Approved Code of Practice for Forestry Operations (ACOP) with some cleanup of Code and Best Practice overlaps.

An on-line survey undertaken (118 responses) earlier in the year, complemented with field survey data collection in Dunedin, Rotorua, Nelson, Napier and Whangarei (100 responses) has helped focus this review. The project team, consisting of suitably experienced industry personnel with support from ACC and OSH, is now drawing on the results to prepare a first revised ACOP draft that will soon be available for comment.

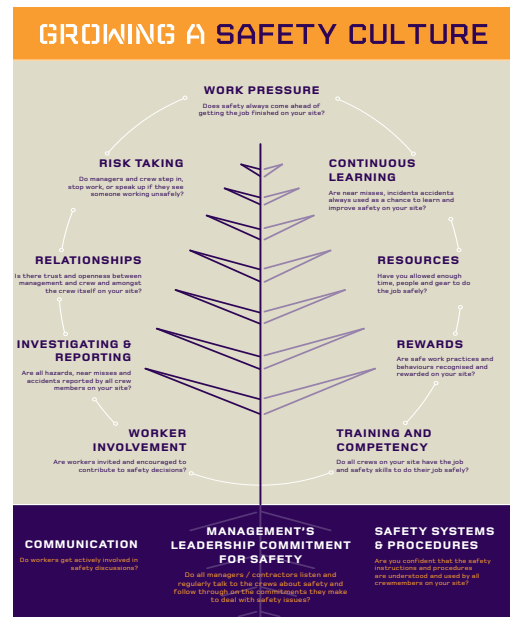
Other challenges

Ramsay says this collective effort to improve safety performance will definitely make forestry a safer place to work. However, he notes that it is larger forestry companies that are leading the charge and that to reap maximum benefits, smaller forest operations – many of them non-members of the FOA – will need to be brought up to speed.

An incentive to get the less motivated up to speed will be experience rating, now being introduced by ACC. This means that employers with good safety records will pay lower ACC premiums than poor performers.

Nevertheless, overall ACC premiums for forestry remain up there with other high-risk industries that haven’t been as successful at lowering their accident rate. It seems unfair.

Ramsay says this reflects the nature of forestry accidents – they tend to be more severe than say farm accidents. A falling limb is likely to do much more damage and require a much longer period of rehab than the injuries you might get working with livestock. This long rehab period is what makes forestry ACC premiums so high.



The safety tree

Changing the team culture so that safety is uppermost in all decision-making, is a vital part of getting the accident rate down to zero

“Also you need to be 100% fit to do many forestry tasks. A farmer may be able to move his stock with a limb in plaster – and has a strong financial incentive to do so – while there’s no way you can do pruning or felling in that state,” he says.

Getting injured forestry workers back to work earlier is an ACC priority. In a pilot in the Far North, ACC case workers with industry experience have been successfully working with clients on their rehabilitation. While the trial is not yet complete, Ramsay says lessons are being learned which will be applied throughout the country.

Better and quicker rehab is an important objective, but the big goal has to be stopping accidents in the first place, which is where the FOA is focussing its efforts.

The risk factors identified at the start of this story are not going away – there will always be heavy objects that crush and sharp tools that cut – that’s part of the nature of forestry. The challenge is to develop work practices that ensure that when logs move, winches engage and blades cut there are no human beings in the way.



Science gets a shake-up

A HUGE SHAKE-UP IN THE RESEARCH, SCIENCE AND TECHNOLOGY (RS&T) SECTOR IS UNDERWAY. THE AIM IS TO GET MAXIMUM BENEFIT FROM THE \$750-PLUS MILLION THE GOVERNMENT INVESTS IN RESEARCH EACH YEAR.

The \$165 million that goes into research supporting the biological economy, including forestry, is not at risk. But look for changes in where it is spent, who calls the shots and who is accountable for the outcomes.

On 1 November, a Ministry of Science and Innovation will replace the two existing science policy bodies, the Ministry of Research, Science and Technology and the Foundation for Research, Science and Technology.

Meanwhile, Crown Research Institutes are undergoing their first major reform since they were set up 20 years ago. This allows the forest and wood processing industries to have a direct input into the research priorities of the CRIs, especially the sector's own CRI, Scion.

Until now, CRIs have had a heavy dependence on competitive short-term contracts. This has made it difficult for them to operate strategically and has turned natural partners such as universities into competitors.

As with all eight crown research institutes, Scion will now get direct long-term government funding to achieve its core purpose. In return it will need to co-operate more with other research providers and to form closer relationships with the industries it services. Accountability for results will shift to its governing board.

FOA chief executive David Rhodes

says these changes are very welcome.

"Short-term contracts with the public good science fund meant a lack of certainty for both individual scientists and for the CRIs themselves.

"Many of our top scientists headed offshore. For their part, the CRIs sought long-term research contracts, even if it meant working for industries that compete with New Zealand. Intellectual property protection barriers went up and technology transfer withered and almost died.

"This corrosive combination has damaged Scion and its relationship with the forest industry, despite the best efforts of Scion management. In essence they had an impossible task."

The next step in the transformation of CRIs is the approval by Cabinet of a Statement of Core Purpose (SCP) for each CRI and how it will deliver benefits to New Zealand. A statement from the Scion board, with input from WoodCo – the pan industry body for the forest and wood processing industries – was delivered to the minister at the end of July.

In the next 12 months a Statement of Corporate Intent will be developed by Scion in consultation with stakeholders and this will hopefully provide the industry with a lot more opportunity to influence the direction of its science.

Before working with Scion on SCP, Woodco developed a policy paper that

lists the critical issues that should drive forest industry research.

At the top of the list is the need for a two- or three-fold increase in wood processing research, even though this will mean reallocating funds now going into other areas.

"Our industry has a very good understanding of radiata silviculture, breeding and environmental impacts. A similar level of knowledge is now needed at the processing end of the chain," says FOA chief executive David Rhodes.

"We need new technologies that enable us to get much better value from the wood that's coming out of our forests now, in order to increase the viability of our big mills and to make higher returns for forest owners.

"This does not mean forest growing research should stop. Indeed, we now need research that gives us a better understanding of how trees work at a molecular level.

"This could potentially enable us to control the sort of wood they produce and how they respond to pests and diseases. It would also be useful to have a scientific, non-emotive, assessment of the potential role and risks of genetic modification, particularly given its investigation offshore."

Assisting the transformation at Scion will be new faces at the top. Well respected chief executive Tom Richardson has resigned to take the top job at AgResearch and his replacement will be appointed shortly.

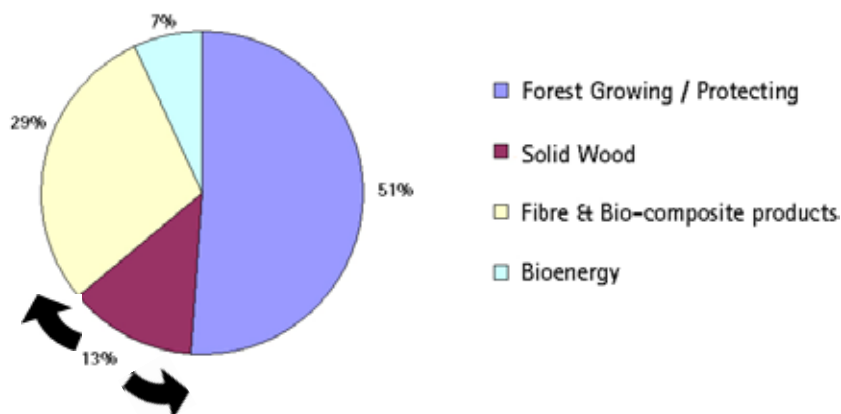
The new chair is Tony Nowell, an Auckland-based company director with a strong background in the food and manufacturing industries, and an ongoing involvement in research in New Zealand.

In its 2010 Budget the government boosted research funding by \$225 million a year and has promised that the biological economy and other high-tech industries will get priority funding.

Within the biological sector, funding will be targeted at projects that drive export growth, especially the development of higher margin products and processes developed from New Zealand raw materials. In addition, big incentives have been provided for businesses to engage in innovation and for research organisations to reach out to businesses.

More: Igniting Potential: New Zealand's Science and Innovation Pathway, describes in depth the government's strategy for science and innovation. <http://tinyurl.com/2b2kjht>

Current FRST Investment



Woodco wants public-good funding of forest industry research to be reprioritized (see arrows above), so that solid wood gets a significantly bigger share of the pie

Higher course fees – more accountability

FITEC faces new funding regime

FOREST AND WOOD PROCESSING INDUSTRY EMPLOYERS WILL BE PAYING INCREASED FEES FOR EMPLOYEE TRAINING FROM 2011.

This is an upshot of government policies which have a greater emphasis on user-pays. Since its election in late 2008, the government has sought to improve the performance and accountability of industry training organisations (ITOs) – both educationally and financially.

“The overall investment in vocational training is huge and it’s not just the government that provides funding for it – industry makes big investment in this type of training, not to mention the time and funding put in by trainees themselves,” said Anne Tolley, minister of tertiary education in April last year.

“We all need to know what happens to this investment – what is it achieving and to what effect?”

This policy direction, which has continued under new minister Steven Joyce, will have a direct impact on the relationship trainees (and their employers) have with FITEC, the forest and wood processing sector’s training organisation.

Starting next financial year, ITOs will have to source 25% of their budget from non-government sources, rising to 30% in 2012. At present only 19% of FITEC’s funding comes from the forest and wood manufacturing sector.

FITEC is a \$14 million operation, with 18 frontline regional training advisors backed by 12 programme managers and curriculum developers, servicing a forestry and wood processing workforce of around 20,000. Since it has limited reserves, FITEC will need to win the support of users if it is to continue operating at its current level.

Chief executive Ian Boyd says FITEC, like others in the tertiary education sector, will need to have improved levels of performance, efficiency and operational focus.

During 2009 – a difficult year for the industry as well as for those who



Photo: FITEC

FITEC courses provide essential back up to the employer-led training that happens on the job

provide it with services – the number of trainees and modern apprentices in FITEC programmes fell by 16% to 9676.

But the performance of those trainees was impressive. Total training achievement rates increased by 9.5% to 202,600 credits. Also, with the new government wanting better course completion rates, these went up 53% to 2730.

Last year, 5117 trainees and 205 modern apprentices were enrolled in forestry courses with FITEC, supported by some 800 industry employers. Trainees from wood manufacturing industries made up the balance, says Boyd.

Next year charges will be introduced for contract assessors (who are currently free) and subsidies for off job training will be reduced from \$25 to \$15 a credit. Last year FITEC got \$10 million in government funding for industry training, \$1.0

million from industry and \$0.7 million from course fees.

Sheldon Drummond, chair of the FOA Health and Safety Committee, says FITEC now needs to do two things urgently – discuss its programme and funding with the industry and restructure its operation to cope with an increasingly user-pays world.

“We would like to see the initial increase in the funding requirement to come from contractors and employees. We recognise that these extra costs will inevitably be passed on to forest owners, but it is important to make FITEC more directly accountable to the main users of the courses.”

In order to reflect the shift to a greater share of user-pays funding, FITEC directors at their September meeting are expected to discuss the appointment of a forestry contractor to one of the independent positions on their board.

The funding and accountability changes are a major challenge. But Boyd is confident that training is essential in order for the forest and wood processing industries to be competitive, responsive to customer and community expectations, and safe places to work.

FITEC courses will also remain a good investment for both employers and employees.

“A Department of Labour/NZ Statistics study across all industries found that workplace training improved earnings of trainees completing Level 4 qualifications by an average of 7% over five years compared to non-trained employees. The major gains (11%) were for young males 16-24 years old,” he says.

“Additionally, a larger proportion of workers in training were employed and retained by industry.”



FITEC chief executive Ian Boyd
Our courses remain a good investment

See you at ForestWood!

ANYONE WITH AN INTEREST IN FORESTRY AND WOOD PROCESSING SHOULD ATTEND FORESTWOOD 2010.

To be held at Te Papa, Wellington, on Tuesday 12 October, the conference is being hosted or supported by all major industry organisations. With the theme, *Forestry New Zealand's Future Prosperity*, it will focus on how value can be maximised through the production and marketing chain.

As with similar events in the past, ForestWood has attracted world class speakers and presenters and will be opened by prime minister John Key.

The draft programme includes Westpac economist Brendan O'Donovan, Fonterra's Nigel Jones, Forests NSW CEO Nick Roberts, Lockwood Group CEO Bryce Heard, International Wood Markets Group vice president Gerry Van Leeuwen, plus other speakers from the government and industry. A cocktail function and the conference dinner will be held afterwards.

On 11 October, the day before ForestWood, the Forest Owners Association (FOA), Wood Processors Association (WPA), Pine Manufacturers Association (PMA) and Frame and Truss Manufacturers Association (FTMA) will be having their own conferences and/or annual meetings

On the evening of the 11th, the NZ Wood Timber Design Awards are being held in conjunction with ForestWood.

On Wednesday 13 October the Forest Industry Contractors Association (FICA) is holding their annual meeting.



FSC's Andre de Freitas presenting at ForestWood 2009

Members of the host and supporting organisations – the FOA, WPA, PMA, FICA, FTMA and the Farm Forestry Association – all enjoy significantly discounted registration fees. There is also a significant early bird discount for those who register by Monday 30 August.

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EPA moves welcome

The FOA welcomes the government decision to make the new Environmental Protection Agency (EPA) a stand-alone operation that will greatly reduce the delays and costs associated with getting resource consents for big or controversial projects.

Environment committee chair Peter Weir says the new EPA process will require those seeking consents to do their public consultation before they lodge their application.

"The legal road blocks that have stymied major wood processing developments have been removed. There will be no council hearings, no appeals to the Environment or High Courts (other than on points of law) and no lengthy delays. An undisputable decision is reached within nine months, unless the minister gives an extension."

He says key features of the process are:

- An EPA policy manager, working on a cost-recovery basis, is assigned to the applicant and works with them to ensure the application is thorough and well peer reviewed

- A nine-month clock starts ticking from the day the application is lodged
- The EPA puts out a document for public submission 20 working days after the application is lodged
- The public has 20 working days to make submissions. The EPA appoints a 'friend of submitters' to help submitters, and has a dedicated 0800 line
- The EPA then appoints a Board of Inquiry of three to five persons, including one Environment Court judge (or retired judge), one local community representative and an expert in the subject area
- The EPA contracts a planning report from the local district council
- All evidence presented to the Board of Inquiry will be pre-read (anyone who has suffered through planning evidence will see merit in this). Witness cross examination is limited to two hours each, and

opening and closing statements limited to four hours.

Contact's Geothermal development, two wind farm proposals. NZTA's Transmission Gully and Auckland Waterview (tunnel) Motorway have either lodged applications with the EPA or are expected to do so.

"For anyone seeking consents under the Resource Management Act for major projects, or projects judged controversial, or of national importance or precedent, then the EPA track looks better," says Weir.

"Had it been available at the time, this would have been a much better route for Ernslaw's proposed Coromandel sawmill which failed to gain a consent under the old process. The multi-million dollar cost of that unsuccessful application has undoubtedly deterred many other companies from trying to establish major wood processing operations in New Zealand."



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