

ANZIF - Seeing the woods through the weeds

Stephen Jacobi

New Zealand Forest Industries Council Chief Executive Stephen Jacobi acted in his personal capacity as rapporteur for the ANZIF Conference in May. His summary of the conference follows:

Peter Jackson was an unexpected - if virtual - guest at this year's ANZIF Conference in Queenstown. His brief video message - organised by NZIF National President Tim Thorpe - set the tone for the whole conference. "Foresters," he said, "focus on the big picture - otherwise you'll never see the woods for the weeds!"

Peter Jackson's challenge was readily taken up by conference participants from both sides of the Tasman, proving yet again that, sport aside, we have more in common with our Australian cousins than not, including a shared vision of the forest sector's potential and a similar looking list of challenges.

The Context

Right at the outset MAF Director-General Murray Sherwin, reminded us that the conference was being held in the year of the 20th anniversary of Closer Economic Relations (CER). That groundbreaking agreement has resulted in unprecedented integration between our two economies. It is good to see that foresters on both sides of the Tasman have fully grasped this vision and continue to look for opportunities to enhance relationships in our own sector. Yet there are both similarities and differences between the two industries.

First, the differences. New Zealand's industry is based largely, but not exclusively, on plantations with a strong focus on export. Australia's industry is a mix of both native and plantation forestry with a strong domestic market focus but growing export potential.

Now the similarities. Both our industries show strong growth potential. The New Zealand harvest continues to expand rapidly as the "wave of opportunity" continues to unfurl (although by no means evenly across the country). The harvest from Australian plantations is also growing significantly - by 20 percent in the case of softwood and tenfold in the case of hardwood.

Importantly governments in both countries recognise the potential for the industry to create jobs, particularly in rural or regional economies and to contribute to overall economic growth. Certainly in New Zealand there are few other sectors that offer the prospect, depending on resolution of some key regulatory and market-related issues, of such significant increases in output and employment.

The issues

The list of issues that must be addressed is long and it is no surprise that the Australians have an equally lengthy catalogue of concerns. Similar challenges identified at the conference included:

- Satisfying customer needs.

- Creating value for owners/shareholders.
- Providing regional/national growth and jobs.
- Providing safe, healthy and rewarding work.
- Meeting expectations of community/stakeholders/indigenous people.
- Meeting environmental/conservation values.
- Addressing biological diversity and climate change.
- Promoting industry cohesion.

Positively, one of the conference's key conclusions was that we can better meet these challenges if we do so together.

The headline themes

Underlying these major challenges is a smaller set of big picture challenges that must be addressed to ensure we are in the best possible position when we come to tackling the issues outlined above. These were in effect the six critical headline themes arising from the conference:

- Moving from vision to strategy.
- Adding value through customer focus and innovation.
- Reconciling production and preservation.
- Engaging more effectively with stakeholders.
- Developing partnerships with indigenous people.
- Addressing critical gaps in education and training.

From Vision to Strategy

"A vision without a plan is a daydream" or so the saying goes. We are pretty good at vision - we know where we want to go - but we need to be smarter about figuring out how we get there. That's why strategy is important. It's a roadmap, a plan to get from A to B, preferably not via Z!

Peter Shepherd from the University of Melbourne defined "strategy" as a "pattern of consistent behaviour over time". He challenged conference participants to consider how our strategy and the necessary changes in industry behaviour will be driven. Will it be a case of resource push or market pull? The trees are critical but the customers pay the bills. We need to think more about our customers - at each stage of the supply chain - and put their needs first.

The conference also looked at two models of government-industry engagement. In New Zealand, we have the Wood Processing Strategy while Australia has the Forest and Wood Products Action Agenda. By and large they cover similar ground although the Australian Agenda has a much greater emphasis on public communication. Whatever the approach, the key issue is that industry must drive the strategy rather than expect government to take the lead.

Customer Focus and Innovation

The role of innovation in determining forestry's future

was emphasised by a number of speakers. Lawrie Halkett from the New Zealand Pine Manufacturers Association stressed the need to move our products into higher value market segments. Jeremy Fleming from Carter Holt Harvey talked about a major paradigm shift - away from mass commodity markets, away from a focus on price, towards identification of specific markets and a greater effort on satisfying customer wants and needs.

Tim Thorpe presented a sobering view of the New Zealand industry's progress towards innovation. There is clearly more research and development work needed if our performance is to improve. Lastly, Ian Boyd from Fletcher Challenge Forestry argued that there was scope for greater industry cooperation and generic efforts to stimulate demand, particularly in offshore markets.

Reconciling production and preservation

Sustainability was a persistent and at times controversial theme. Roger Sands from Canterbury University's School of Forestry compared the European forestry model to New Zealand's and asked whether the New Zealand model had worked. Not surprisingly, the question prompted intense debate. There was general agreement, however, that sustainable forest management can and should play a greater role in ensuring the conservation of native forest and providing useful economic returns to fund that conservation effort.

The role of environmental certification was also the subject of much discussion. It was not seen as the whole answer but certainly acknowledged as a strategy to encourage sustainable forestry management behaviour and to achieve market recognition for SFM products.

Engaging with Stakeholders

Guy Salmon from the Ecologic Foundation encouraged us to adopt what he described as the Finnish approach to forestry management and to recognise that people, rather than trees, are at the centre of our industry. Getting relationships with stakeholders right is essential to industry success and participants acknowledged the Forest Stewardship Council, drawing together a diverse group of forestry interests, was useful in this respect. Guy also put forward a powerful argument for the development of a genuine public coalition for trees and wood - a partnership for environmental excellence that would unashamedly promote the virtues of wood over other less environmentally friendly building materials.

Indigenous people

A session on indigenous people was addressed by Cheryl Kitchener of NSW State Forests. Cheryl gave a moving account of the Aboriginal people's spiritual connection to the land. In answer to a question from the floor about what Australian forestry students needed to do to understand Aboriginal values, Cheryl shared some of her own family's wisdom - "You were born on the land. You need to know about the people and the land. That is your responsibility".

We discussed the role of forestry in empowerment, land restoration, economic and social development and cultural practice. We noted that in New Zealand Maori would increasingly become more active as forest owners rather than just land owners particularly as the vast amount of Maori-owned land was allocated for forest production.

We also talked about the critical importance of foresters using the right processes and protocols to engage with indigenous people. Certainly, in a New Zealand context, as Ian Boyd pointed out, there are limitless possibilities for co-operation and development if we can get our engagement with Maori right.

Education and Training

This last theme should be of particular importance to anyone interested in the future of forestry as a profession. The conference was particularly fortunate to have secured the attendance of so many students.

Roger Sands traced some of the history of forestry education and noted the need for flexibility in education and training options. John Blakey, of Forest Industries Training, had some revealing statistics on the ageing population which will impact on the industry's ability to recruit and train. If we are to beat off competition from other sectors for a shrinking pool of potential employees, we must pay close attention to such issues as lifestyle, wages, career development and safety.

Pulling it all together

These six headline themes could be expanded on and then expanded again. The challenge is to ensure that each time we come together we do so in the confidence that we are 12 months closer to achieving our vision.

In New Zealand there is no doubt that we have to work harder to promote a shared sense of vision and collective strategy for the industry. Vision 2020 and the Wood Processing Strategy are a positive start but we have more to do to create a positive environment for increased investment in processing, to secure the dividend from the Government's ratification of the Kyoto Protocol, to position New Zealand pine in offshore markets through better market access and generic market development, and to promote greater cohesion and co-operation amongst the diverse industry players.

As Mark Self from MAF urged us in the session on biosecurity - it's time to stop thinking like domestic cabbage growers.

The ANZIF conference - which coincided with the celebration of the New Zealand Institute's 75th anniversary - provided an important opportunity to begin to think about the potential for trans-Tasman co-operation in forestry as well as to decide what needs to be done in our own countries towards realising the industry's vision of increased output, growth and employment.

That ultimately is the big picture that Peter Jackson was talking about.