

Reclaiming our forestry heritage together

Julie Collins



A strong processing sector is an important part of achieving the government's wider economic development, environment, sustainability and employment objectives. It will also support the domestic building industry

*Whakapūpūtia mai ō mānuka, kia kore ai e whati.
Cluster the branches of the mānuka, so they will not break.*

Forestry means different things to different people – and that's a good thing. It's about harnessing those ideas, values and visions to create one shared goal – a cluster of branches, if you will – that will provide the foundation for what success will look like for the industry over the next 100 years and beyond.

Opportunities we take up now will enable the forestry industry to diversify, innovate and grow to deliver further social, environmental and economic benefits across the country. We also have the chance to see forestry play a significant role in moving New Zealand towards a low emissions economy. How will we do this?

Creating a shared vision

It starts with a shared vision to transform our future, which the government has instructed Te Uru Rākau (Forestry New Zealand) to lead with the One Billion Trees programme. The aim is to see at least one billion trees planted over the next 10 years. Among other things, we will see diversity of income for landowners, improvements in land productivity, environmental issues like erosion, water quality and climate change addressed, and increased habitats for a range of native species, enhancing our natural landscapes and creating real jobs in the regions.

Te Uru Rākau will play a key role in achieving this goal, providing the leadership and direction to solidify a strong and clear focus on forestry and its wider benefits across the country. I very much see our role as one of enablement, providing the necessary support to see increased planting of a wide range of both native and exotic species that create real benefits for all New Zealanders. To do that, we need to help lower the barriers currently faced by landowners and improve incentives for planting.

Our forestry heritage is part of the fibre of this country – in 1840 around two-thirds of the land was still



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covered in forest before the rapid deforestation of our indigenous trees occurred. The significant consequences of this continuing, for both our environment and our ability to advance our economy, were recognised early on. It took a vision to transform the approach to our forestry resource and lead, with government support, the transition towards afforestation and commercial exotic forestry success. This vision paved the way for what is today one of our most successful industries, which directly employs around 20,000 people and contributes around \$6 billion a year to our economy.

Now, the government has signalled the importance of a new vision that will build upon that success and create an even brighter future. The government's commitment with the establishment of Te Uru Rākau, and access to the Provincial Growth Fund, is cause for confidence for an industry that has been under-valued. The opportunity over the next 10 years is to create the conditions for a sustainable sector that has momentum to grow and adapt.

The government is looking for forestry to: enable Māori to reach their economic and cultural development aspirations; support sector and regional productivity increases to capture full market value; maintain a stronger domestic market for wood products and security of supply for wood processors; build a strong, stable and reliable labour market that enables safe and rewarding lifetime careers in forestry; develop better environment and climate change outcomes for New Zealand; ensure a stable investment environment, enabling greater investment confidence in the forestry sector; and facilitate the transition to a low carbon economy through the replacement of petroleum-based products with wood-based products and the enablement of carbon farming. The sector, with existing and new players, can meet the challenge.

Te Uru Rākau will walk alongside the industry and provide increased leadership and focus for the government's goals for forestry. We will look to harness and build on the afforestation and land management work already underway with landowners, Māori, iwi, regional councils, community organisations and local communities. We also need to be working in partnership with the industry to better tell the New Zealand forestry story, including the wider positive environmental outcomes.

We are a country known for our 'number 8 wire' mentality, and we will look to partner with innovators to explore new forms of forestry that can deliver a viable commercial return, to help diversify the plantation estate and provide alternative options for landowners (e.g. indigenous commercial forestry, specialist timber and mānuka extracts). There will also be targeted programmes and resources to support Māori landowners, and an expanded outreach service to farmers and landowners to improve awareness of the benefits of planting trees and the assistance available to do so. All of this will be developed into a 'future of forestry' strategy for discussion early next year.

Capturing value

We know that the commercial forestry sector is projected to plant more than half a billion trees in the next 10 years. We also know that because plantation forestry is a long-term investment, a stable investment environment is important for providing confidence to the sector to plant new trees. A range of broader government work programmes (e.g. tax policy and measures to support the wood processing sector) will impact on the decisions that commercial foresters make.

Of note are the amendments to the Overseas Investment Act 2005, which have just come into effect. The changes provide for new simplified screening options for overseas investors seeking to buy existing land or forestry rights or convert land to forestry. This is intended to direct desirable overseas investment towards forestry and we will monitor the impact on new planting over the next two to three years.

Add to this an increase in global demand for wood, our efficient supply chains already in place, stable log prices and high carbon credits, and we are seeing a very favourable environment for investment in forestry here. What we want to avoid is a forestry processing industry (like in the UK) that is increasingly dependent on the government to step in and resolve supply issues. The reality is that every sector needs to be able to ride the highs and lows that inevitably occur. We want to grow a sustainable, enduring forestry future that is sector and community-led, not state-led.

That's why we want to support the growth and innovation of the domestic wood processing sector. A strong processing sector is an important part of achieving the government's wider economic development, environment, sustainability and employment objectives. It will also support the domestic building industry. Te Uru Rākau will need to work closely with the sector to determine how we can achieve this. Lifting the use of wood in the New Zealand economy, ensuring security of domestic log supply, and growing domestic wood processing will secure better returns from our forests and encourage investment in processing plants that will allow a transition from lower value log exports to more valuable wood products. This will benefit the New Zealand economy and our regions by strengthening market resilience and supporting higher levels of investment in afforestation.

In terms of the government's goal to transition to a low emissions economy, this programme has a key role in helping to achieve this. In total, planting one billion trees could remove an additional 10 to 30 million tonnes of CO₂ from the atmosphere by 2030. Improvements to the emissions trading scheme (ETS) – our main tool for reducing greenhouse gas emissions – are another way we can strengthen the long-term economic outlook for landowners, creating more appetite for tree planting. A lot of this tree planting will be permanent, but many may also plant for timber.

The ETS needs to be able to deliver effective emissions pricing and incentivise businesses to reduce emissions, innovate and invest in low emissions solutions. Reducing the complexity of the ETS and making it more accessible for landowners could drive planting of over 150 million trees. We are looking at a simplified accounting approach, creating a permanent forest option, recognising emissions mitigation from harvested wood products and further operational changes to improve the way the ETS works for foresters.

Engaging communities

This is about leveraging all of these opportunities to rebuild one of our most important sectors and enhance opportunities for people living in regional New Zealand. Those opportunities will see more young people choosing careers in forestry. Over the next few years, we will support and encourage greater participation at all skill levels and look at opportunities to tackle some of the cross-cutting issues that impact on forestry as a career choice. We will be developing low skilled employees to ensure a sustainable employment and career pathways, will look to overcome seasonality issues through a year-round employment pilot scheme, and investigate accreditation of qualifications and transferable skills.



Julie Collins, MPI Director General Martyn Dunne and Minister Shane Jones at the launch of Te Uru Rākau's Forestry Scholarships at Fieldays this year to encourage young people to choose careers in forestry

For highly skilled employees, we will be working with industry to develop a summer internship programme for university students, and to establish a professional forestry employment scheme similar to the rural veterinarians' voluntary bonding scheme.

An example of this is supporting training facilities to encourage more forestry workers. Te Uru Rākau recently announced a pilot project which will see the Eastern Institute of Technology (EIT) partnering with Train Me to deliver a new forestry school. EIT will oversee the academic work stream, while Train Me, trading as the ManaiaSAFE Forestry School, will oversee the logging operation and develop the forestry training model.

Training will focus on delivering skills to the sector that are in demand including: Level 2 and 3 work-ready training in silviculture, logging, transport, and machine operation; in-work competence development; and health and safety training for coordinators and health and safety representatives. The graduates of the course will be employment ready and will hold a New Zealand Certificate in Forest Harvesting Operations (Level 3) with strands in either tree felling, breaking-out or manual processing. We also have three additional youth employment initiatives with a forestry focus, as well as forestry scholarships, all with the goal of creating better employment opportunities in forestry.

These training programmes are also important in the context of a safe and high quality workforce across the forestry and wood product sectors. We must see collaboration across the sector, from landowners to investors, to ensure best practice is implemented in work we are supporting. Te Uru Rākau also has a role in addressing the industry's unacceptable safety record and we will be engaging with our stakeholders to increase uptake of the FISC contractor certification. With a seat at the Forestry Industry Safety Council, Te Uru Rākau is in a position to hear directly from the workforce.

Counting the numbers

Another important piece on the checkerboard is the work being done by Crown Forestry which is entering into new commercial arrangements, including lease and joint venture contracts, to develop plantation forests on privately-owned land. The aim is to diversify landowner income, improve productivity, help climate change, protect the environment and create jobs. There has been a good level of interest from landowners in joint ventures with Crown Forestry to develop plantation forests on privately-owned land. At the time

of writing, seven joint ventures covering 4,645 ha have been executed and the team is currently negotiating contracts with a further 19 properties for around 6,400 ha, as well as following up new opportunities as landowners further explore this option.

Across the whole programme, we are expecting up to 260 million trees to be planted over the next three seasons. This includes approximately 150 million from existing commercial planting and replanting, 30 million from existing native planting, and 80 million from government investment in joint ventures and the new grants fund. A key focus of the latter will be on native tree planting, with a target of two-thirds going towards natives.

Building blocks

In saying all of this, work is already well underway and we are beginning to see success stories emerging. We have supported Minginui Nursery to scale up production of forestry grade native seedlings in the Bay of Plenty. As a result, the nursery will grow from a team of nine to 90. That's in an area with a population of less than 200, where unemployment is currently among the highest in the country.

I also mentioned earlier our strengthened focus on innovation within the sector. We are already seeing great examples of this from the Taranaki Regional Council, who are developing a digital tree planting tool for farmers to assess the viability of planting trees on Taranaki hill country. There is also a pilot programme underway to help us to better understand the potential for tōtara timber products which could deliver millions of dollars a year of timber and tens of millions through final products.

Yes, these are all steps in the right direction. But there is still a long way to go. What we are aiming to achieve is ownership of this programme at the grassroots level. We can support planting, but we need everyday Kiwis to roll up their sleeves and take up this once in a lifetime opportunity to transform the industry.

Now is the time to see forestry step back into the spotlight. It is an opportunity to reclaim our forestry heritage together, to see gains across our environment, our regions and our people. We all have a duty to make this work, and work well, for now and for future generations. After all, these are our billion trees.

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