

Te Uru Rākau – New Zealand Forest Service: looking towards the future

Jason Wilson

Abstract

Forests are acknowledged globally for the diverse benefits they provide. Planning strategically, both internationally and in New Zealand, includes considering how we can manage and develop forest resources for the benefit of present and future generations. It is a time of change, including considering how to respond to climate change. As we face the challenges of our time, taking a strategic approach, innovating, diversifying and working together is increasingly important. Te Uru Rākau – New Zealand Forest Service is working to plan strategically, support and advise the sector, improve services, and build a better future for New Zealand through forestry. This paper highlights what we see on the horizon and work underway to contribute to the future of forestry.

The value of forests and a global perspective

In early 2017, the United Nations released its *Strategic Plan for Forests 2017–2030* (UN, 2017) with the aim of promoting sustainable forest management and a vision that focuses on forests and trees providing economic, social, environmental and cultural benefits for present and future generations.

The UN Strategic Plan begins by acknowledging that forests are among the world's most productive land-based ecosystems and are essential to life on earth, including human wellbeing, sustainable development and the health of the planet. As explained in the UN Strategic Plan:

'Forests provide essential ecosystem services, such as timber, food, fuel, fodder, non-wood products and shelter, as well as contribute to soil and water conservation and clean air. Forests prevent land degradation and desertification and reduce the risk of floods, landslides, avalanches, droughts, dust-storms, sandstorms and other natural disasters. Forests are home to an estimated 80 per cent of all terrestrial species. Forests contribute substantially to climate change mitigation and adaptation and to the conservation of biodiversity.'

'When sustainably managed, all types of forests are healthy, productive, resilient and renewable ecosystems, providing essential goods and services to people worldwide. In many regions, forests also have important cultural and spiritual value' (UN, 2017, p. 3/24).

It also states, as set out in the United Nations forest instrument: 'Sustainable forest management, as a

dynamic and evolving concept, is intended to maintain and enhance the economic, social and environmental values of all types of forests, for the benefit of present and future generations.'

To support the benefits that can be realised from forests, the UN Strategic Plan sets out multiple global goals and targets on reversing forest loss, enhancing forest-based benefits, increasing sustainably managed forests and strengthening cooperation and partnerships.

Facing climate change

Four years later, the UN's Intergovernmental Panel on Climate Change released its 2021 report (IPCC, 2021) establishing the linkages between rising greenhouse gas emissions and increased severe weather events and rising temperatures. Amongst the findings and recommended mitigations in the IPCC's report, there is a reference to improved and sustainable forest management as a means of reducing emissions.

The central role for forestry in New Zealand's climate change response was highlighted in the 2021 report from the New Zealand Climate Change Commission (CCC, 2021), which provided advice to the New Zealand Government on its first three emissions budgets and direction for its emissions reduction plan.

The CCC's report acknowledged forestry as the only current option for removing carbon dioxide from the atmosphere at scale and its value in providing a long-term carbon sink, as well as making a number of recommendations. These included a national programme to establish more native forests, changes to the Emissions Trading Scheme (ETS) on the scale of forests planted, storing more carbon on smaller forest blocks, and a call for the Government to clarify the role of permanent exotic forests in reaching emissions targets.

In commenting on the significant role of forests in New Zealand, the CCC report states:

'Forests play a significant role in the history, culture, economy, and biodiversity of Aotearoa. Forests will play an important part in helping Aotearoa to meet emissions budgets and the 2050 emissions reduction targets, because they are the only way to remove carbon dioxide from the atmosphere ('emissions removal') that is currently available at scale.'

Different types of forest will play different roles. New exotic production forests will be important to help meet emissions budgets and targets and to help sustain a thriving, low-emissions bioeconomy.'

At the same time, establishing new native forests will be key to maintaining net zero long-lived greenhouse gases in the long term, balancing emissions from hard-to-abate sectors, while providing multiple co-benefits.

The role that emissions removals from forests play must be balanced with the need to make gross emissions reductions, and consider potential impacts of land conversion on rural communities and the broader food and fibre sector' (CCC, 2021, p. 315).

The CCC also highlighted the value of increasing native forests for providing an enduring carbon sink and set out recommendations to ramp up the establishment of new native forests to reach a recommended target of 25,000 ha per year. The report states: 'Native afforestation needs to start now to provide enough removals to maintain net zero long-lived greenhouse gas emissions beyond 2050' (CCC, 2021, p. 318).

Change presents challenges and opportunities

Along with driving the climate response, New Zealand's forestry and wood processing is undergoing change and transformation. The sector stands on the start of an exciting new era and the decisions and initiatives being taken now will shape the next 50 to 100 years. Not only will the seedlings we plant now grow into the forests that will benefit future generations, but planning and innovation will also drive our export revenues, pave the way for new products and services, open new markets, and build long-term economic growth and living standards. Our current decisions and direction will also be critical in providing New Zealanders with employment, training and career opportunities, as well as realising their aspirations for the future.

Overseas demand for New Zealand wood has been strong in recent years, growing by approximately 19% since 2017. The World Bank forecasts that global demand for wood and wood products is likely to quadruple by 2050. The World Bank says economic development, population growth and urbanisation are increasing the demand for forest products, which is projected to grow dramatically in the coming decades.

While demand for forestry and forest products is generally trending higher, changing global economic and political dynamics mean there is no guarantee of continuing and assured upward movement. Shipping capacity limits and rising costs have brought pressures for our forestry sector and economy, which is contending with volatility across commodity prices and issues with international market access.

New Zealand faces decisions about whether our businesses and economy continue to operate on the assumption of ongoing strong demand for our products, resources and services from our trading partners. There is risk in assuming that New Zealand's economy will not be immune to volatility in international markets, supply chains and transport pressure, shifting political and economic dynamics, and COVID-19, so we need to consider how to manage such risks and uncertainties.



Figure 1: Native tree (rimu). Climate Change Commission recommendations include ramping up the establishment of new native forests

While these factors present a challenge for New Zealand's economic growth, I have confidence in our forestry and wood processing sector and am keen to support it in work underway that is developing expertise, skills, human resources and innovation to meet our shared challenges.

COVID-19 has shown challenges and issues can arise suddenly and unexpectedly. Setting up for success now and in the future therefore requires both the sector and Te Uru Rākau – New Zealand Forest Service to adapt, plan and find solutions that are fit-for-purpose for emerging and changing trends.

Whatever the future holds, there is benefit in coming together as the forestry and wood processing sector to collaborate and pivot towards more diversification, innovation and transformation.

Working with the sector to build a better future

Since being established in 2018, Te Uru Rākau – New Zealand Forest Service's mandate has been to provide a policy and regulatory framework, leadership and direction for supporting the viability and sustainability of forestry, as well as optimising the potential of wood.

Our role is not just developing and supporting plans or policies for planting trees. It is about ensuring the right skills, resources, services and capabilities are in place to manage our forestry resources, promote investment and industry transformation, and deliver on the *Fit for a Better World – Accelerating our Economic Recovery* roadmap.

Central to this is successfully working with landholders, businesses, sector organisations, schools, the workforce, universities and research institutes, councils and local community groups across a range of programmes of work and joint ventures. Importantly, this includes Te

Uru Rākau – New Zealand Forest Service partnering with Māori. This will improve the quality of joint ventures and advice, help transform forestry, and enable Māori to realise their aspirations for their land.

Industry transformation and initiatives

Work underway in developing the Industry Transformation Plan (ITP) is aimed at moving forestry and wood processing from a commodity resource producer to one generating high-value jobs and low-carbon products by increasing domestic processing, lifting productivity, developing new onshore manufacturing, and generating new workplace skills and knowledge. By working together, taking a strategic approach, and innovating, we can lift the economic contribution from forestry and wood processing in New Zealand.

The ITP also aims to catalyse the production of new low emissions products and energy to support New Zealand's transition to net zero emissions by 2050. It envisions pathways and a foundation for developing and manufacturing high-tech, high-value products and biomaterial to replace carbon-intensive products currently used for fuels, heating, building and plastics. Not only are the objectives for export revenue and growth, jobs and prosperity for our regions, they are also about ensuring New Zealand meets its international climate change targets.

Joint initiatives underway that are helping plant the seeds of innovation and build towards transformation include:

- The Wood Fibre Futures Project – investigating opportunities to attract investment to produce liquid biofuel and products from wood residues, and generate export revenues, by replacing fossil fuels used by industry and the transport sector
- The Manufacturing Clusters initiative – developing opportunities to co-locate wood processing plants, and plants from other industries, to minimise waste, improve productivity and competitiveness, and process residues as a feedstock for secondary processing, electricity and heat production
- The Timber Design Centre initiative – facilitating greater use of timber in the construction of all building projects by providing information to a broad range of stakeholders to improve the ease of use of timber across the entire design, planning, construction and project management phases.

ETS Transformation Programme

Amendments to the Climate Change Response Act 2002 in June 2020 delivered a range of improvements to the ETS. These reforms aim to drive a substantial increase in afforestation, reduce operational complexity and improve ease of compliance for forestry participants. Our Forestry ETS Transformation Programme is working to deliver customer-centric services that simplify the user experience and support greater accuracy for current and future participants.

Forest Market Assurance Programme

The Forestry Market Assurance Programme is another important programme currently underway for Te Uru Rākau – New Zealand Forest Service and the Ministry for Primary Industries (MPI). This programme has the aim of strengthening the integrity of the forestry supply chain and is made up of registration for log traders and forestry advisors, and a proposed legal harvest assurance system. We are working with the sector and Māori to ensure these systems are fit-for-purpose for an evolving forestry and wood processing sector.

The purpose of registering log traders and forestry advisors is to ensure that logs grown in New Zealand are bought and sold in a way that is transparent and professional, with the quality of advice improving over time. MPI will hold the functions of the Forestry Authority to administer the registration systems. Te Uru Rākau – New Zealand Forest Service has been working with the New Zealand Institute of Forestry (NZIF) on establishing the Forestry Authority, and we are very appreciative for their feedback and support throughout this process.

The proposed legal harvest assurance system provides a legislative framework with measures in place to eliminate or mitigate the risk of regulated parties dealing with timber or timber products sourced from illegally harvested timber. This assurance is being increasingly asked for by our trading partners, and this system seeks to maintain New Zealand's competitive market access. It will also reduce the risk of illegally sourced timber being imported here. There is a worldwide trend where access to markets for products requires assurance of legality, and New Zealand's system will be a requirement for accessing many export markets.

Other upcoming workstreams and strategic intentions

The projects and programmes described above only highlight a few of the many streams of work we anticipate for the coming years.

We have a busy year ahead. At a high level, our many workstreams relate to our key strategic intentions set out MPI's Strategic Intentions 2021–2025 (MPI, 2021). These include:

- Unlocking the potential of the forestry and wood-processing industries
- Increasing planting of the right trees in the right places for the right purpose
- Strengthening our planning and advisory services
- Partnering with tangata whenua to transform New Zealand forestry and realise Māori aspirations
- Transforming the forestry components of the ETS
- Strengthening professional standards and the integrity of the supply chain
- Supporting rewarding careers in forestry.



Figure 2: Indigenous forest, Whanganui River

We look forward to the opportunity to update you in 2022 on work underway to enhance the planning and advisory services we provide.

Other important upcoming work this year will include considering the recommendations that come out of the Emissions Reduction Plan (under development at this time of writing this paper) and working within government to advocate for the sector as they deliver on these. The Emissions Reduction Plan will set out how New Zealand will meet its first emissions budget (2022–2025) and set the path towards meeting our long-term climate targets. It is anticipated to be a key step in the country's transition to a low emissions future. Forestry will have an important role to play, including through increasing indigenous afforestation.

Looking forward

The future for forestry and wood processing, in supporting New Zealand's economic growth and reaching climate and environmental goals, is challenging but also a future that presents opportunities.

Being successful in achieving these goals will mean ensuring the sector is built on the strongest foundations possible. Te Uru Rākau – New Zealand Forest Service is committed to continuing to work with industry partners to ensure the optimal use of our forestry and wood processing resources. Pathways include the integration of native and exotic forestry into existing land use practices, turning unproductive land into an asset, preventing erosion across rural areas, improving water quality and enhancing biodiversity.

The importance of responding to climate change and transforming to a carbon neutral forestry sector and economy cannot be understated. It is also about ensuring New Zealand can meet current and immediate export and local market demand for wood and wood products, and the sector as a whole has the right support, capability and flexibility to adapt and change to meet future trends, developments and challenges.

This is a key role for Te Uru Rākau – New Zealand Forest Service going forward. By working together with our industry stakeholders and partners, we can continue to build strong foundations for forestry and wood processing and a prosperous and environmentally sustainable future for New Zealand.

References

- Climate Change Commission (CCC). 2021. *Ināia Tonu Nei: A Low Emissions Future for Aotearoa: Advice to the New Zealand Government on its First Three Emissions Budgets and Direction for its Emissions Reduction Plan 2022–2025*. Wellington, NZ: CCC.
- Ministry for Primary Industries. 2021. *Strategic Intentions 2021–2025*. Wellington, NZ: MPI.
- United Nations. 2017. *Strategic Plan for Forests 2017–2030*. Geneva, Switzerland: UN.
- United Nations Intergovernmental Panel on Climate Change (IPCC). 2021. *AR 6 Climate Change 2021: the Physical Science Basis*. Geneva, Switzerland: UN IPCC.

Jason Wilson is Deputy Director-General of Te Uru Rākau – New Zealand Forest Service at MPI. Email: jason.wilson@mpi.govt.nz