



Linking arms for mutual benefit

FOREST OWNERS AND THE GOVERNMENT SHARE A COMMON INTEREST IN SEEING THE FOREST INDUSTRY REALISE ITS POTENTIAL.

The world economy may be in melt-down, and the emission trading scheme may be on hold, but no-one has told the trees in our plantation forests.

Year-in year-out the entire estate grows 30 million tonnes of harvestable wood fibre and our Kyoto forests sequester about 15 million tonnes of carbon – figures that will steadily increase during the next decade.

So, while forest owners financially benefit from the sale of the logs their forests produce, so too do tens of thousands of fellow New Zealanders – from those who work in their forests and transport the logs, through to those who mill and produce products from wood and paper. They all earn wages, pay taxes and spend money in their local communities.

Forest products made up 7.5% of the country's merchandise trade last year, generating NZ\$2.9 billion in overseas earnings that help pay the country's bills.

As for the carbon, the amount locked up in trees each year is enough to soak up the emissions of the country's entire transport sector.

For all these reasons, plus important

intangibles like water conservation, erosion prevention, biodiversity protection, private recreation and commercial tourism operations, the New Zealand public has a vested interest in seeing the forest industry prosper.

Since 2000, the contribution of the forest industry to New Zealand has been recognised by government – starting with the Wood Processing Strategy and



The forest industry makes a huge contribution to New Zealand through jobs and exports. It also soaks up enough carbon to offset the emissions of the entire transport sector.

working through to the Forest Industry Development Agenda (FIDA), an initiative that has had the whole-hearted support of the industry. FIDA is now in its final year, energised by \$18.2 million from government and \$3.8 million and large 'in-kind' contributions from industry.

In addition, the government has been investing regional development funding of \$25 million a year in roading development in Tairāwhiti and Northland – major new forest harvesting areas.

Although the FIDA sums are small relative to the industry's contribution to the economy, on both symbolic and

practical levels they are vital. Government dollars speak louder than fine words and encourage diverse industry players to make their contribution and to work together in the interests of all.

But the big question now is what happens from the end of June 2009 when the current FIDA budget runs out.

To encourage the government to continue its work with the industry, WoodCo, the pan-industry body, is now leading the industry on what is being dubbed 'son of FIDA'. A plan for government-industry collaboration in areas of common interest from 2009-2014 has been drafted, with input from NZFOA, WPA, PMA, NZFFA, Douglas-fir Association, Timber Design Society, FITEC and FFR.

This draft is now being considered by MAF officials. After further discussion and agreement it will be submitted for inclusion in the next budget round.

After reviewing and revising its own strategic plan, WoodCo has identified the priority areas where industry wishes to partner with government. Some are areas where government has the major role, others involve the industry taking the lead. There is a mix of new initiatives as well as existing commitments that should be maintained.

Funding requirements and contributions vary accordingly, but most activity areas require an input from both government and industry, because the benefits are shared. In summary, for the five years 2009-2014, the industry is seeking annual funding from government under the FIDA umbrella ranging from \$2.2-\$4.4 million a year, with co-funding from industry ranging from \$1.28-\$2.27 million.

Some top-up funding to complete regional development roading is also being sought, along with funding from the Tertiary Education Council for education and training, and from the Ministry for the Environment for the development of a National Environmental Standard.

For a summary of the proposed joint activities, please turn to page 4.

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Are you good with a Rubic's cube

If so, please stand up, your country needs you?



By NZFOA
chief executive
David Rhodes

THE GOVERNMENT ANNOUNCEMENT THAT IT WILL PUT THE EMISSIONS TRADING SCHEME (ETS) ON ICE (AND CONSIDER REPLACING IT WITH A CARBON TAX) HAS

LEFT FOREST OWNERS WONDERING HOW THE GOVERNMENT IS GOING TO INCORPORATE FORESTRY INTO THE MIX.

The problem is, of course, that forestry has been operating under the ETS legislation since 1 January 2008 and the regulations for trading carbon have been passed.

A range of different choices are possible for the type of mechanism that New Zealand will employ to meet its Kyoto obligations and influence investment and behaviour. An ETS and a carbon tax are both options for achieving the same end. One gives certainty of reduction, the other certainty of price.

Forest growers were one of the few voices that supported a carbon tax with revenue recycling, a few years back when it was opposed by others. But the government of the day bowed to the will of the majority – including National, Act and major business organisations – and embarked on what has been a fairly

tortuous route of developing an ETS.

Unlike some, we have not changed our minds about the merits of a carbon tax, but this now has to be weighed up against the time, cost and likelihood of introducing it. In addition the trend among other developed countries is for emissions trading, including the latest announcement by the new President of the USA that he intends to pursue a cap and trade approach.

Satisfying all affected stakeholders will also prove to be just as difficult under any new course that is embarked upon. If New Zealand is going to stay in the Kyoto club, then sooner or later the government is going to have to introduce price signals that discourage emissions and encourage carbon sequestration. The alternative – spending an awful lot of money permanently buying credits from eastern European nations will not be palatable.

Unquestionably there are issues with the ETS that need addressing and we expected, and support change. Among them, we believe there are things that can be done to improve the flexibility of the scheme for forestry and there are matters of concern for our own processing sector upon which we depend. These issues could be corrected through amendments to the existing scheme.

Whichever course of action is chosen, forestry will remain one of the cheapest,

and most effective, options New Zealand has for dealing to its emissions obligations under Kyoto. We know the relevant ministers are aware of this, and the government has given plenty of assurances to the industry that it will reverse the trend in new planting and deforestation that we have seen in recent years.

Forest growers have consistently said they expect the credit but also the liability that goes with carbon absorption and release. Whether this is in the form of carbon credits or a financial equivalent is somewhat academic. This signal will be consistent with whatever approach is introduced for the rest of the economy. It needs to be implemented soon to galvanise the nurseries because we know that forestry will be a significant part of the solution, and we know there won't be any regrets with expanding our forest estate.

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Meanwhile, the NZFOA has been putting a lot of effort into building support at the International Council of Forest and Paper Associations (ICFPA) for changes to the rules for forestry in the second Kyoto commitment period, from 2013. This is because of the influence Kyoto rules have had – and are likely to continue to have – on New Zealand's domestic Kyoto policies.

Most northern hemisphere countries have little or no post-1989 forest and thus have limited understanding about the perverse impacts some Kyoto rules have on plantation forestry, particularly in the southern hemisphere.

Against that, there is a widespread awareness internationally that all has not been well for forestry in New Zealand and people are keen to understand what has happened in order to avoid sharing our experience.

With the support of Brazil, Australia, Spain, South Africa and Chile the NZFOA has helped forge the ICFPA's climate change messages for all government negotiators. These include the need for land-use flexibility, assessment periods that match forestry investment horizons, the sequestration of carbon in wood products and ensuring that credits and liabilities are matched.



Planting more trees will inevitably be part of the country's response to climate change. Whether this is incentivised through carbon credits or a financial equivalent is somewhat academic, but it needs to happen soon.



Wood's green creds on website

IT HAS BECOME SIMPLER TO SHOW THE TRUE ENVIRONMENTAL CREDENTIALS OF WOOD.

A new calculator on the *NZ Wood* website works out the carbon emissions for different building materials using cradle-to-gate life-cycle analysis. Canterbury University did the number crunching.

The calculations are based on the choice of wood, steel or concrete as the main structural material in a standard farm building, health centre, school gymnasium, warehouse and six-storey building. Another calculator, looking at the emissions created by using different materials to build a standard house, will be added to the site shortly.

The calculator shows that wood is by far the best choice for minimising carbon emissions. In addition, using as much wood as possible in a building can result in dramatic CO₂ savings.

An all-wood home has a carbon footprint of around minus 20 tonnes net of CO₂, thanks to all the CO₂ the



Wood is by far the best choice for minimising carbon emissions

An all-wood home has a carbon footprint of around minus 20 tonnes net of CO₂

trees have soaked up from the air when they were growing. Conversely, a steel-framed, concrete-floored, aluminium windowed house is responsible for contributing another 32 tonnes of CO₂ towards climate change.

In February 2009, *NZ Wood* will roll out a series of television advertisements on the use of wood in different residential applications including interiors, framing and cladding, flooring and outdoors.

www.nzwood.co.nz

ENVIRONMENT

NES sought for forestry

THE NZFOA WILL BE ASKING THE NEW GOVERNMENT TO PROVIDE THE MINISTRY FOR THE ENVIRONMENT WITH THE RESOURCES TO DEVELOP A NATIONAL ENVIRONMENTAL STANDARD (NES) FOR PLANTATION FORESTRY.

Before the election National promised to develop such standards for forestry, telecommunications, housing development, agriculture and electricity transmission.

At present, local bodies have widely varying standards and requirements for normal forest management operations. These are often far more onerous than those applying to other land uses.

The NZFOA wants an NES under the Resource Management Act (RMA) that makes all aspects of plantation forestry a permitted activity subject to robust defensible, measurable and enforceable standards. It would apply in all terrain except that gazetted for its outstanding

natural character, significant indigenous biodiversity or high erosion risk, where regional council plans would continue to regulate some activities such as roading and earthworks.

NZFOA environmental committee chair Peter Weir says forest owners welcome National's promises to streamline RMA processes and to make greater use of national environmental standards.

"We are not seeking to relax standards - all we need is a consistent effects-based approach that applies in all areas. At present, the degree of regulation in some regions and districts is completely out of proportion to the measured effects."

He says government initiatives to streamline RMA procedures for plantation forestry, such as MfE's *The Way Forward*, date back to the mid-1990s, but all were false starts. A 2006 initiative, involving the NZFOA and senior MfE officials, foundered last year for a lack of funds and resources.

"The NES will need to be drafted in close consultation with the forest industry and regional government, drawing upon rules defined in NZFOA's Environmental Code of Practice. We estimate it will require an investment in ministry staff time and resources over the next two years of about \$700,000," Mr Weir says.

"This is a similar order of magnitude to the cost an individual forest owner may face if consents are appealed to the Environment Court."

National has promised to introduce an RMA reform bill in its first 100 days and to pass this into law within six months. Amendments will include simplifying the Act, speeding up consent processing and expanding the existing Environmental Risk Management Authority (ERMA) into an Environmental Protection Authority (EPA).

Among the roles of the new EPA will be the development of National Policy Statements and National Environmental Standards.



Linking arms for mutual benefit

A selection of activities proposed for industry-government collaboration, 2009-2014

Research & development

Forest growing sector

Most research in the forest growing sector is directed by Future Forests Research (FFR), a partnership between the industry and the country's primary forest research organisation, Scion.

Set up in 2007, FFR has prioritised research in four areas – radiata management, diverse species, environment and social, and harvesting logistics – and has secured FRST funding for this through until 2013.

Biosecurity and fire research are outside the FFR umbrella, but are also of vital importance.

Forest owners contribute to research funding through voluntary levies. Where the research most benefits society as a whole, or where society's actions contribute to the topic being researched, most of the tab is picked up by government. Where the benefits accrue mainly to owners of forests and other stakeholders, they pick up a bigger share or all of the tab.

Priority areas for industry-government collaboration in the forest growing sector include:

- **Biosecurity:** Pests and diseases cost the forest industry \$150-\$200M a year in reduced productivity and mortality. We need to know more about them, as well as the major exotic pests and diseases that are likely to reach NZ in the future, threatening both exotic and native forests. Disease-based trade restrictions will grow as diagnostic capability improves, more pests are distributed internationally, and countries look for reasons to restrict imports.
- **National environmental standard under the RMA:** See story page 3.
- **Harvesting technology:** NZ's future forests will increasingly be located on steep fragile terrain, but only if investors are confident we have the technology to harvest them.
- **Wild-fires:** Fire managers need to know more about factors that influence fire behaviour in radiata forests, in order to control them better. Each year there are 3500 wildfires, mostly caused by people from outside the forestry industry.

- **Wood waste:** Better ways need to be found to dispose of the large quantities of waste wood that enter landfills each year. Options include using it as a bio-fuel or by incorporating it into novel products, but ways to neutralise contaminants like wood treatments, paint and fittings need to be found first.

Trade access and market development

Partnership with government is needed to assist the access of NZ forest products into overseas markets and to promote sales both at home and abroad.

Trade access

- **Methyl bromide:** Alternatives to methyl bromide fumigation and methods of use which don't involve the release of methyl bromide into the atmosphere are being developed for export biosecurity, but overseas authorities need to be convinced they will do the job.
- **Certification:** Consumers are increasingly looking for independent certification before buying wood products. A number of initiatives are underway to ensure that forest growers can continue to obtain third party certification in a way that is consistent, practical and available to all who practice good forest management.

Market development

Greater use of wood in domestic construction provides a showcase for the country's exporters and helps reduce greenhouse gas emissions. Also, by adding value to raw logs and lumber, NZ's overseas earnings are increased and more jobs are created at home.

- **Carbon footprint/lifecycle analysis:** Marketers need to have robust data supporting wood's claim to have a low carbon footprint and to be able to rebut the myths created by competitors.
- **Clearwood opportunities in the US:** Market research is needed to get a better understanding of how American consumers perceive the range of visual defects found in radiata pine relative to those in competing woods. Radiata processing and grading standards could then be aligned with the most positive perceptions, with the aim of maximising market returns.
- **Export of timber buildings:** Modular houses are becoming increasingly popular in the western world. What is the potential for the export of modular wooden homes aimed at the quality end of the market?
- **NZ Wood:** Launched in 2006/07, *NZ Wood* positions wood as the most renewable raw material and aims to grow wood consumption in New Zealand by 4% a year. More funding is now needed to grow wood demand, build public understand-



Our future forests will increasingly be located on steep fragile terrain

But investors need to be confident that we have the technology to harvest them in an environmentally friendly way

ing of the environmental benefits of forestry, and develop an independent quality mark that verifies the environmental attributes of branded wood products.

- Wood building design: Missing from the promotion of wood as an environmentally sustainable raw material are wood-based building systems for the construction of wide-span multi-story non-residential buildings.

Operating infrastructure

Electricity

The wood processing sector consumes 8% of NZ's electricity and 4% of its gas, despite deriving more than 50% of its energy needs from biofuels. It is therefore highly vulnerable to the supply fluctuations and price spikes of recent years.

It is of great concern that the electricity market model has failed to provide stable supply and predictable pricing at a time when electricity generators have been enjoying super-normal prices. Wood processors have lost export customers and have endured uneconomic production costs as a result.

A pan-industry and government study is needed to investigate the impact of the current pricing and supply model and to compare this with overseas models. Also, the industry's future energy requirements need to be studied in the context of a large increase in the wood harvest during the next 10-15 years.

Transport

With growth in the log harvest as well as in the NZ economy generally, big increases in freight movements are expected. Making the best use of the existing road, rail and port infrastructure is clearly in the interests of the forest industry and the government.

Already trials of larger vehicles are underway – thanks largely to NZFOA research showing the large gains in productivity and fuel efficiency that could be achieved by relaxing vehicle weight and dimension limits on parts of the roading network (see story page 7).

When these and other trials end, the data generated will be used to inform the public consultation process that will follow. More research will then be needed to develop optimum rig designs and to assess the capacity of existing roading networks.

Rail capacity and constraints also need to be assessed. With relatively small investments in rolling stock there



Unpredictable pricing and the lack of a stable supply for electricity has at times made wood processing uneconomic

may be the potential to greatly increase the quantity of forest products carted by rail.

Regional development roading

Regional development funding for road upgrades in Tairāwhiti and Northland is essential for the rapidly growing harvest from these regions. Since getting underway in 2002, more than \$100M in government funds has been spent in these regions.

A further \$90M is needed over the next three years to complete the task. Even with the roading upgrades only partly completed, industry is investing heavily in job-rich export wood processing plants in both regions.

Education & knowledge transfer

Education & training

Education and training for the forest and wood industry sectors is facilitated through FITEC, the industry ITO which currently has some 12,000 trainees, of whom around 35% are Māori.

A recent survey by BERL has shown that 600–1000 new employees will be needed during the next three years (until 2011) at current levels of productivity. In addition, an extra 4000 employees are required each year to replace turnover.

Through FITEC, education and training is currently funded by a mix of government and industry funding. However, this is insufficient to fund the development of targeted websites and associated training materials – one of the best ways to deliver information in the workplace. The *Forestry Insights* website also needs to be updated and re-launched, and an industry careers website developed.

Professional development education

Although the government has introduced green procurement guidelines

and new regulations for green buildings, BRANZ research indicates that more than 40% of design professionals are uncomfortable designing in timber and the remaining 60% need design software and design detail information.

Auckland, Canterbury and Victoria Universities have formed the Timber Alliance, a new national platform for postgraduate timber design education to cater for these needs. The Alliance is:

- Developing design capability for non-residential timber buildings
- Providing urgently needed timber design courses for postgraduate architects and structural engineering students, and for practising architects and structural engineers
- Developing design tools for non-residential timber buildings for NZ
- Planning lectures by international experts for architects and structural engineers about the structural performance, detailing requirements and sustainability of non-residential timber buildings.

Technology transfer

The *NZ Wood* website provides a one-stop-shop for a wide variety of information, but it lacks the smart design tools for engineers and architects to more easily specify wood. The Timber Design Society website also has some useful technical information, but it also lacks computer design software packages or tools.

In order to reverse the decline in the percentage of buildings being specified in wood, the industry needs to collectively develop and promote tools for specifiers.

A design programme based on the latest technology would portray timber and related products (Glulam, LVL etc) as sophisticated and emphasise the point that timber is an engineered product that needs to be specified as carefully as its competitors.



Grounds for hope in ETS review

THE ELECTION ON 8 NOVEMBER OF A NATIONAL-LED GOVERNMENT SUPPORTED BY THE ACT, MAORI AND UNITED FUTURE PARTIES, HAS CAUSED MIXED EMOTIONS AMONG FOREST OWNERS.

National's pre-election commitment to an emissions trading scheme (ETS) and awareness of the flaws in the existing scheme as it relates to forestry, were all seen as major positives.

On the other side of the ledger is the uncertainty created by the new government's decision to "pass forthwith an amendment to the ETS legislation delaying its implementation" ... until a select committee review is completed. This is a step backwards for Kyoto forest owners and those planning to plant new Kyoto forests under the current ETS legislation. Their hard-won carbon trading rights will have no legal status until new legislation is passed – no

earlier than late-2009.

Indeed, there can be no assurance that emission trading will not be replaced by carbon taxes; though this would put New Zealand out-of-step with the EU, Australia and the incoming United States administration, all of which favour emission trading schemes.

The select committee review will be much more comprehensive than that promised in National's election policies and arises from National's Confidence and Supply Agreement with the Act Party that campaigned on a policy of abolishing the ETS.

Earlier this year the Act, National and Maori Parties strongly opposed the ETS legislation in parliament.

Act says there has not been a rigorous analysis of the evidence linking human activity with climate change, nor – if the linkage is deemed to be proven – of the range of policy options open to New Zealand. The party believes there is a real risk that compliance with the Kyoto Protocol will cost New Zealand dearly and achieve nothing.

In contrast, National, United Future and the Maori Party support the Kyoto Protocol and believe that policies based on Kyoto principles need to be implemented urgently.

However National believes the ETS legislation needs to be amended to – among other things – strike a better balance between New Zealand's economic and environmental interests. It also promised to establish a forestry offset scheme, subject to a full assessment of the costs.

UnitedFuture supported the ETS "whilst continuing to oppose a general carbon tax". Indeed, it went one further than National in supporting the devolution of carbon credits to land owners replanting existing forests as well as to

those planting new forests.

For its part, the Maori Party believes the ETS created a series of major social and economic inequities without doing much to reduce emissions. It says the provisions relating to pre-1990 forests are contrary to the Treaty of Waitangi and Te Ture Whenua Maori Act 1993.

Opposing the ETS Bill in parliament, party co-leader Tariana Turia said, "What is needed is a radical rethink of the whole approach."

The party's prescription for reform of the ETS includes phasing in all sectors at the same time and developing a formula to ensure that the ETS requires no greater contribution or sacrifices from the owners of Maori land than from the owners of privately owned non-Maori land. That view relates particularly to the treatment of land that is undeveloped or in pre-1990 forests, of which Maori are major owners.

How these conflicting stances play out in terms of the future shape of the ETS remains to be seen. But since National, Maori and United Future have until now supported an ETS as well as fairer treatment of pre-1990 forest owners, there's reason for hope. Unfortunately, there's nothing forest owners can bank on.

As NZFOA chief executive David Rhodes points out, this lack of clarity means the full carbon sequestration potential of forestry is likely to be deferred for yet another year. Even then, it will take nurseries two years to gear up for an increased level of planting.

National-Act Confidence & Supply Agreement, including terms of reference for the proposed Climate Change Select Committee: www.national.org.nz/files/agreements/National-Act_Agreement.pdf

The confidence & supply agreements relating to the Maori and United Future Parties do not refer to climate change policy or to forestry.

New ministers welcomed

THE NZFOA WELCOMES THE APPOINTMENT OF HON DAVID CARTER AS MINISTER OF FORESTRY AND BIOSECURITY AND HON DR NICK SMITH AS MINISTER FOR THE ENVIRONMENT AND CLIMATE CHANGE ISSUES.

"Dr Smith has a very good understanding of the potential for forestry to mitigate climate change and has been a strong advocate for ETS policies that treat land owners fairly – regardless of the age class of their forests. It is also refreshing that he takes the view that domestic policy need not necessarily be driven by the international Kyoto rules," David Rhodes says.

Mr Carter also comes to his role as forestry minister with a good knowledge of forestry issues, having engaged with the NZFOA several times in his role as chair of the Primary Production Select Committee under the last government. His previous ministerial roles have included biosecurity, which is also of vital concern to forest owners.



Until the election, all political parties in parliament except Act supported an ETS. While some wanted changes to the scheme, all could see the importance of planting trees.

Forest products in vehicle trial

TRIALS HAVE BEGUN ON SELECTED ROUTES AS PART OF A MINISTRY OF TRANSPORT REVIEW OF MASS AND DIMENSION LIMITS FOR HEAVY VEHICLES.

NZFOA Transport Committee chair Brian Pritchard says the forest industry is involved in a series of trials involving logs, wood products and wood chips in Nelson, Hawke's Bay and central North Island. The movement of logs to ports and processing plants will be monitored, as well as processed and finished products to export.

He says the trials began in October and will run into 2009. The information gathered is expected to substantiate the productivity benefits from allowing heavier vehicles to operate on NZ roads and to identify where improvements in infrastructure would lead to even greater productivity gains.

If these and other trials are successful, the NZFOA and Wood Processors Association hope a permit system allowing heavier vehicles to operate on selected routes will be in place from early 2010.

New Zealand's current mass and dimension limits are a reflection of the country's geography and the state of some of the country's bridges and roads. However, it is believed the bulk of the roading network can cope with heavier vehicles.

Former transport minister Annette King said freight movements around New Zealand would more than double over the next 30 years and she hoped the trials would lead to greater efficiency in the way road freight is moved.

"The most obvious benefit is likely to be the ability for the same amount of freight to be moved by fewer trucks. Longer-term these measures could lead to less road congestion, lower emissions and a generally safer road environment," she said.

"The trials offer an opportunity to monitor and manage many of the impacts of implementing a controlled heavy vehicle permit system – from road maintenance and wear and tear, to

environmental and safety implications.

"All trucks taking part will comply with existing safety legislation and go through the standard overweight permit process. They will also have braking systems rated to ensure they are appropriate for heavier loads, and they will only drive on approved routes, with approved drivers. This is to ensure safety and to enable monitoring of the trials as accurately as possible."

As well as forestry, the trials will involve other industries such as milk, fuel, aggregate, containers, livestock and waste.

More?

Ian Clark, Project Manager, Ministry of Transport, tel 04 439 9385 or 021-469 177



One of the first trial rigs ready to go

There's a big potential for productivity gains

Changes needed in road user charges

MAJOR FLAWS IN THE ROAD USER CHARGES (RUC) SYSTEM ARE RESULTING IN INEFFICIENT VEHICLE DESIGN AND FUEL USE.

The forest industry, with a fleet of 2000 truck-equivalents, is New Zealand's second biggest transport sector after general freight.

In an industry submission to a government review panel, RUC schedules were highlighted as an area of major concern. Parties to the submission were the NZFOA, Wood Processors Association, Pine Manufacturers Association and the Eastland Wood Council.

"The reference axle weights are not consistent with the design axle weights

used for the design and construction of pavements. Also, independent research shows the 4th power relationship used to reflect the expected interaction between axle weight and road wear is much too high," says NZFOA transport committee chair Brian Pritchard. "These anomalies encourage the use of vehicles with more axles than would otherwise be economically efficient."

Instead of buying efficient modern rigs, trucking companies are paying international vehicle manufacturers a premium to make 'one-offs', particularly twin-steer, 4-axle truck units, specified solely to suit RUCs. These vehicles are typically heavier and less fuel efficient than single steer 3-axle trucks and have poorer off-highway traction and handling.

The RUC system could be improved by:

- Shifting light diesel vehicles, which purchase two-thirds of current RUC kms, to an annual licence fee.
- Replacing RUC reference axle weights with Australian design axle weights.
- Allowing qualified operators to pay for RUCs in arrears.
- Reducing the formula for calculating the weight/road wear relationship from a factor of 4 power to a factor of 2 – a more accurate figure for typical NZ roads.

Alternatively, road user charges could be abandoned in favour of a system based on licence fees and fuel taxes.

Dirty sock threat

THE NZFOA AND SCION RESEARCH HAVE DEVELOPED A POLICY DESIGNED TO REDUCE THE RISK TO THE NATION'S FORESTS FROM PEST AND PATHOGEN HITCHHIKERS.

The policy explains the vulnerability of New Zealand to the introduction of exotic pests, including pathogen spores that can remain infective for very long periods.

Overseas visitors and staff returning from overseas are required (before departing for NZ) to clean any clothing and footwear worn during nursery, forest, port or processing site visits. This is in addition to complying with New Zealand's border biosecurity measures.

Clothing should be dry cleaned and boots treated with a biocide such as hypochlorite after being brushed clean. Field equipment, cases, bags and tents also need special attention.

The NZFOA encourages all forest owners to adopt the policy and to incorporate it into their rules and procedures. It is posted on the NZFOA website.

Happy summer!

2008 HAS NOT BEEN THE EASIEST OF YEARS. AS MARKET PRICES CLIMBED THROUGH THE WINTER MONTHS, FOREST OWNERS DARED TO BE OPTIMISTIC – ONLY TO SEE PROSPECTS FADE IN THE SPRING IN THE WAKE OF THE GLOBAL CREDIT CRUNCH AND DEEPENING RECESSION.

The ETS, which we started work on nearly a decade ago, finally became law. After countless meetings, reports and submissions we adapted to the new reality – only to face uncertainty again while the new government rethinks the whole scheme.

On behalf of NZFOA president Peter Berg, the executive council, working committees and staff, the *Forestry Bulletin* wishes members and friends all the best for Christmas and the New Year. Thank you for your help and support during turbulent times.

Have a great summer break. You deserve it!

The NZFOA office will be closed from 23 December and will reopen on 5 January.

Drug Code launched



NZFOA president Peter Berg speaking at the launch of the code

THE NZFOA'S DRUG & ALCOHOL CODE OF PRACTICE IS NOW BEING APPLIED THROUGHOUT THE FOREST INDUSTRY.

Since being launched by then forestry minister Jim Anderton to more than 100 forestry contractors and managers in Gisborne in October, it has been taken to a series of regional launches attended by nearly 1500 industry professionals.

At press-time, 2500 copies of the Code and 7500 employee brochures had been circulated. A DVD that includes audio-visual presentations featuring the Code and a very

well received presentation by Rod Dale of the NZ Drug Detection Agency is now available for work-site presentations.

Copies of the Code of Practice, employee brochure and DVD are available from the NZFOA free of charge. A template drug- and alcohol-free workplace policy and associated employee consent forms can be downloaded from www.nzfoa.org.nz

Forestry up with grapes

Think Marlborough think grapes

Then think again – and add in forestry.

A recent study by BERL for the Marlborough Forest Industry Association, shows that forestry, logging and solid wood processing contributed \$171 million to the region's GDP from an output of \$418 million. Between them they generated work for the equivalent of 1090 full-time employees.

In comparison, Marlborough is home to 56% of New Zealand's grape wines producing about \$500 million worth of wine.

While these figures cannot be directly compared (the forestry figures include multiplier effects), they do show the major and largely unrecognised con-

tribution of plantation forestry to the Marlborough economy.

Marlborough is a small but growing player in the NZ forest industry, with its annual harvest predicted to jump from around 800,000 cubic metres to 1.5 million cubic metres in the next 15 years. The number of businesses involved in the industry has grown from 120 in 1994 to 350 in 2007 – a growth rate of 8.1% a year.

One of the main challenges facing the industry is providing infrastructure for a fluctuating harvest from the region's many small blocks.

The 60-page report can be downloaded from www.marlboroughforestry.co.nz



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