

Future trends of increasing frequency of sales and fragmentation of forest ownership were also identified. Another key aspect of this research was to identify how forestry and e-technology tools might best be used to facilitate forest transactions in a global marketplace. This research provided the foundation of a business plan for a forest marketing agency. Further research has been undertaken in key offshore markets and this will continue to influence strategy of how best to reach and service prospective forest buyers globally.

### Tools for marketing forests

The industry has been largely successful in developing forestry tools for forestry problems. We have available today numerous techniques for evaluating forests and predicting future outcomes in terms of quality, quantity and value from an individual tree level to the resource level. Tools such as Pruned Log Index (PLI), Pruned Stand Certification (PSC) used in conjunction with purpose-designed sawing studies in mills or Cross Sectional Analysis (CSA) for in-forest sampling, are not new developments. However, they are rapidly finding wide acceptance throughout the forest industry in New

Zealand and offshore. We have recently seen the development of Photo MARVL, which promises to substantially improve the utility of the well established MARVL tool. STANDPAK and a variety of other forest modelling software tools are also widely used throughout the industry.

### The future

It is clear that new technologies present our forest industry, like most others, with substantial opportunities to improve the way we do business and New Zealand is well placed to lead the way in applying technologies now available. In facilitating commercial forest transactions, research and experience to date have shown clear benefits from combining forestry and digital technologies with researched, targeted marketing. Improvements in both the quality of information defining the resource and in how this is communicated allow us to bring buyers and sellers together more effectively than ever before. The flow-on effect of this will likely be improved liquidity of forests and ultimately this must inevitably result in stronger interest by non-traditional investors in commercial forestry.

## Infrastructure causes concern

Concerns over whether the country's infrastructure will match the forest industry's future growth were highlighted at the NZ Forest Industries Conference in October. Entitled "Shaping the Future - With Government" the day-long meeting focused on many of the areas where the two protagonists' interests often converge.

Deputy Prime Minister and Minister for Economic Development, Jim Anderton, laid down the challenge when he highlighted concerns over the lack of performance in certain areas.

Noting that the excess wood supplies predicted for the next decade would, in theory, provide significant expansion opportunities in non-traditional regions, Anderton said it was only "in theory" at this stage because "we are not ready for it".

In the Central North Island, the infrastructure and support industries had developed over time to meet the growing demands associated with an increasing wood supply. But this development had not occurred in the new growth regions. And in the East Coast and Northland the major increases in wood supply would not be gradual - they would be dramatic and occur in less than five years.

"It is happening now. These regions are ill-prepared in terms of infrastructure, people and planning to cope with what is already upon them.

Anderton gave examples from his experience of chairing the Tairāwhiti Development Taskforce on the East Coast over the past six months. These included few sealed roads and even those that were being ill-equipped for existing volumes let alone predicted increases in wood supplies. Neither of the councils in the region had the financial capacity to make the

investment required in roading. Central government fund was tied up in short-term processes, leading to uncertainty in regional planning strategies. Gisborne port was operating at full capacity. There were limited options for expansion. Access to the port brought heavy vehicles through the city centre. Both Hicks Bay and Tolaga Bay had potential to offer deep-water alternatives but even though such options were planned for in the early 1980s, they had yet to be realised.

The railway linking Gisborne to Napier was in poor repair since Cyclone Bola and its future was now uncertain. The electricity network was old and poorly maintained and therefore not configured to handle an upsurge in industry development.

Ministry of Economic Development and Ministry of Agriculture and Forestry officials were coordinating an effort to bring together government resources to address forestry and wood products development issues region-by-region. The government expected that in the New Year it would be able to start discussions with the industry and local government on the issues involved. The current thinking was that five main working parties would be established, looking at:

- International trade enhancement and investment promotion.
- Labour requirements.
- Infrastructure (including energy, transport - road and rail, research, planning, water, waste).
- Maori participation and involvement.
- And a steering group to provide overall coordination and leadership.

These were preliminary groupings only and Anderton said he wanted there to be a high degree of direct industry engagement.