

President's Comments

Institute stages a winning conference

NZIF Conference 2001

"The Future Opportunity" - processing and exporting NZ's forest products.

This year's annual conference proved to be one of the industry conferences of the year. For most of us the background was familiar:

- For a little over 100 years foresters have been planting trees in New Zealand. In the process they have identified the species, tending practices and growing conditions which together make our plantation forests amongst the most efficient producers of wood fibre anywhere in the world.
- A desire to shift the emphasis on wood production away from our diminished natural forests, and an even greater confidence in the ability of plantations to both meet all of this country's wood needs and drive an export led forest products industry resulted in extensive plantation forest establishment in the early 1930s, and more or less continuously from the 1960s to the present.
- Today New Zealand has an established wood processing industry, responsible for around 11% of our export receipts. Extensive new plantation forests exist with the potential to almost immediately double and within a decade or two treble the total harvest volume, and the challenge for all those involved in New Zealand's forestry business is to see the potential embraced by this massive increase in harvest volume realised to the advantage of all New Zealanders.
- World demand for wood and wood products results in very substantial trade, the expectations are that demand will continue to grow, and New Zealand is already recognised as one of the countries most able to contribute to this business.

The Institute's conference once again focused attention on the scale of the opportunity the plantation forests represent, case-studying Northland (where around 300% expansion in harvest levels will occur within 5 years) to properly demonstrate what is possible.

The emphasis on processing for export markets is reflective of the efforts necessary to ensure adequate rewards for those who invested so much earlier in the creation of our forests. Along the way the development of the base of skilled workers in almost every facet of the industry and its support services, provision of suitable infrastructure (roads, ports, power, plant and machinery), and the expansion of our knowledge



Peter Berg addressing the NZIF conference

of markets, trends, new technology and consumer preferences are all critical issues.

The conference provided information on the way other successful industries, and wood processors in other countries have met these challenges, what support exists (eg finance, infrastructure, research and education) and where it is coming from, how those with particular expertise see future market opportunities and what our competitors are doing. The views expressed were those of a cadre of proven and capable leaders in their fields.

Perhaps more startling were the views recorded off the conference scorecards: the (around 180) attendees overwhelmingly agreed that the industry was fragmented and disjointed. More than 60% claimed lack of vision, inadequate leadership and uncertain forward strategy were the real issues for the industry. Greater international cooperation in promoting radiata pine (eg Wood New Zealand), possibly in conjunction with Australia and even Chile was identified as a particular opportunity.

The conference's views have since been conveyed to other major industry associations, in particular NZ Forest Industries Council and NZ Forest Owners Association, with offers to help facilitate action in this respect. It is notable that these organizations are presently reviewing the opportunity for coordinated campaigns in this respect – the Institute's input is timely encouragement and incentive to see this process through.

Forest Industry Awards

Recently I had the opportunity to attend the NZ Forest Industries Training awards evening in Rotorua. It was one of those occasions where the

genuine interest and support for success in the industry really shone out, around 100 awards were made to men and women who have made achievement of excellence their goal. Several had done so with distinction.

Improving skill levels will contribute significantly to the industry's growth and performance and is to be encouraged.

The NZIF similarly recognises top achievers through its own awards, and it was particularly pleasing this year to have a record number (over recent years anyway) of contenders for each.

An industry that celebrates success, particularly in terms of improving the capability of its people, has to be on the path to better things.

Forest Policy

The pace of change in the world of forestry is very much a part of our lives. To some extent this reflects greater exposure to international perspectives driven by concerns about matters as far ranging as sustainability and global warming. But it also reflects the fact that today our forests are planted and managed without any real consensus on, or commitment to particular land-use, economic or social policies. Almost certainly

issues such as the sudden termination of wood production from the Crown's indigenous forests, how to deal with Painted Apple Moth, and what wood to use when re-paneling the Beehive would not have caused the same disruption and uncertainty had they been supported or underpinned by some broadly understood and appreciated philosophy. The adoption by the Institute at the AGM of the Forest Policy developed and promoted to members by Hamish Levack and Graham Whyte will help overcome some of these matters. Having taken this first step Council will now be seeking to promote our policy in the wider community in the expectation it will provide some of the leadership otherwise lacking.

Andrew Dakin

Elsewhere in this issue is an obituary for Andrew. I would simply like to acknowledge his quiet but significant contribution to the work of the Institute, nowhere more obvious than at this year's very successful AGM and conference in Auckland.

Peter Berg

Institute's power to initiate advances highlighted

The New Zealand Institute of Forestry has the power to help initiate real advances in the New Zealand forestry industry, Tony Neilson, Managing Director Neilson Scott Ltd told the NZIF annual conference. Tony Neilson was responsible for wrapping up the proceedings of the conference, much of which will be published in separate papers in this edition.

One of the key decisions at the end of the conference, run on the theme "the future opportunity", support for a cohesive strategy vision for the industry with wide industry participation, strong leadership, improved marketing and a better market presence.

In noting the Institute deserved congratulations as this was one of the best conferences in recent years, Tony Neilson noted: "The people who belong to the Institute are naturally inquisitive and intellectual, but I hope we don't just have a lot of warm feelings [coming out of the conference]."

The Institute was non-aligned and non-political and was therefore in a position to take aboard what had been discussed at the conference and move forward boldly and with passion some of the issues highlighted. Tony Neilson highlighted the difficulty in presenting a unified strategy for marketing and leading the industry forward to meet the challenge of the so-called wall of wood.

"The industry is a graveyard of good ideas," Tony Neilson said, noting the failure of Wood New Zealand to get off the ground along with the stalled launch of ideas such as the Cellulose Valley in Rotorua. The day of the conference, 7 May 2001, should be marked as "the day the light came on" for the industry. In summarising the day's proceedings, he said there were three aspects: the givens, the big ideas, and the way forward. The givens included committed leadership, creativity and inventiveness, product and market understanding, infrastructure, investment, free trade, good governance, and biosecurity. He noted that few of a group of people his publication, Pine International, had polled could name a forestry industry leader.

"Industry is seriously short of high profile leaders," Tony Neilson said. Top of the list in the "big ideas" department was the need for a cohesive strategy with widespread buy-in. Part of this would be to create a market presence. "There are individual companies that are doing these already but NZ Forest Inc doesn't do much in market presence building. What about establishing a centre for softwood excellence in the Southern Hemisphere? he asked. He noted that a wood marketing co-operative for private growers would be a good idea. A Hall of Fame to celebrate the best and learn from them was another idea.