



Woodco

Wood Council of New Zealand Inc
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Annual Report to 30 June 2007



Chairman's Report
Doug Ducker

The Wood Council of New Zealand (Woodco) was incorporated under the Incorporated Societies Act 1908 on 2 March 2006. I am pleased to present the 2007 Annual Report, the first to cover a full financial year.

Introduction to Woodco

Woodco's membership includes the following industry associations:

1. Wood Processors
2. Forest Owners
3. Farm Forestry
4. Pine Manufacturers
5. Forestry Industry Contractors

Current Woodco Council members are:

Processor's Group (refers 1 & 4 above)

1. David Anderson
2. Doug Ducker
3. Owen Griffiths
4. Brice Landman
5. Marty Verry

Producer's Group (refers 2, 3 & 5)

1. Peter Berg
2. Mike Halliday
3. Jacob Kajavala
4. Philip Langston
5. Lees Seymour

Woodco has a management committee that includes Chief Executives of the member associations and is chaired by Doug Ducker. The management committee is the team responsible for implementation of the Strategic Plan and other significant projects including NZ Wood, specifically reviewed later.

Objective of Woodco

Woodco is to represent, in a unified manner, the collective interests of the entire forest industry in order to enhance positive opportunities and outcomes for the sector.

Strategic Plan

Significant progress has been made on the forest and wood products strategic plan, with a presentation at the FIDA Steering Group meeting held on 19 June 2007 being well received.

The objective of the plan is "to improve sustainable profitability at all levels of the value chain". The plan focuses on research and development, technology transfer, marketing and sales, operating infrastructure, public relations and leadership.

Representation

Climate Change Policies

Woodco made a submission on the following Government discussion papers:

- Transitional Measures and Zealand Energy Strategy to 2050 - *Ministry of Economic Development*
- Draft Sustainable Land Management and Climate Change - *Ministry of Agriculture and Forestry*
- Draft New Zealand Energy Efficiency and Conservation Strategy - *Energy Efficiency and Conservation Authority*
- Reduce Greenhouse Gas Emissions in New Zealand Post-2012 - *Ministry for the Environment*

Government officials were to prepare a public summary of submissions for release by 30 June 2007. There have been several delays to this publication date with the release outlining the introduction of an Emissions Trading Scheme occurring on 20 September 2007.

Woodco will review the outcome against the sector's submissions and will continue to lobby as necessary for policies that reflect the best interests of Woodco members.

Monetary Policy

The high exchange rate over the past 12-months significantly reduced the profitability of the sector, especially its exporters. Member associations have been lobbying the Government independently to request consideration of alternative monetary policy options.

In June 2007, Woodco began preparation of a submission on monetary policy subsequently sent to the Finance and Expenditure Select Committee. The submission sought changes in policy with the aim to disconnect the relativity seen between domestic interest rate adjustments and the value of the New Zealand dollar.

NZ Wood programme

The NZ Wood (initially known as forWood) programme is a Woodco initiative with objectives to:

- grow domestic market share for wood (compared to steel and concrete)
- increase per capita wood consumption in New Zealand
- improve the regulatory environment for wood and especially plantation forests; and
- shape positive public, industry and Government perceptions of wood and especially of plantation forests.

Management Team

NZ Wood is led by a management team comprising:

- | | |
|------------------|-------------------------|
| ▪ Peter Bodeker | Wood Processors Assn |
| ▪ Andy Buchanan | Timber Design Society |
| ▪ Bruce Bulloch | Farm Forestry Assn |
| ▪ Lawrie Halkett | Pine Manufacturers Assn |
| ▪ Geoff Henley | Project Manager |
| ▪ Andrew Karalus | Douglas Fir Assn |
| ▪ David Rhodes | Forest Owners Assn |

Funding

The NZ Wood programme is jointly funded by industry and by government under the Forest Industry Development Agenda (FIDA).

FIDA funding is available for the first three years of the programme, by which time it is hoped other funding sources will be in place. Woodco sees NZ Wood as a minimum ten-year programme.

I would specifically like to acknowledge the Government and industry for their support of this initiative. It is exciting for the forestry and wood processing sectors as we envisage a successful NZ Wood programme will reward Government and industry supporters for their commitment.

Research

In early 2007, wide-ranging research was undertaken to determine perceptions, beliefs and attitudes of the general public and specifiers towards wood. The results from the research were used to form NZ Wood's comprehensive web, creative and communication's strategies.

Stakeholder Forums

The following forums were held in February 2007:

- Forest Resource
- Specifiers
- Brand Leaders

From these forums, advisory panels were established. The NZ Wood project manager updates panel members on progress and seeks advice on various matters in relation to the programme.

Thank you to those who volunteered their services to the advisory panels and for the work they are doing on behalf of NZ Wood.

Road-show

A nationwide road-show, from Balclutha to Whangarei, will commence on 13 August 2007 to launch the programme to industry stakeholders. The first stage of the website will also be launched in August.

Collaboration

The achievement of a pan industry project under the NZ Wood banner is an historical industry first, and an indication of what can be achieved by the industry working in a collaborative manner.



Doug Ducker - Chairman