



Annual Report 2015

December 2015 marks the 10th anniversary of the formation of the Wood Council. Back in 2005 the Forestry Minister, Jim Anderton, observed that through Woodco “...by coordinating, cooperating and sharing new ideas the industry will be better able to take a strategic approach to the industry’s development into the future”. Ten years later the partnership of growers, processors and manufacturers continues to do just that.

Whilst the constituent members: NZFOA, NZFFA, FICA and WPMA serve the needs of their individual memberships on a day-to-day basis the Wood Council provides the unique space where the organisations can come together to achieve valuable pan-industry outcomes and profile.

Over 2015, I am pleased to report that we have achieved outcomes in four major areas that are of relevance to the whole value chain: international certification, enhancing international trade, climate change and promotion of excellence in wood-based design and construction. I note that these areas reflect those highlighted as needs back in 2005 – so we remain true to our objectives. Taking these further:

International Certification

Forest Stewardship Council (FSC) certification already makes an important contribution to maintaining New Zealand’s access to international markets. Fifty six per cent of our plantation forests are currently FSC certified. In the current year, in response to calls from foresters, contractors and manufacturers to expand market access opportunities and to meet the requirements of rapidly expanding regulation worldwide to stamp out illegal timber trade, the Wood Council launched an initiative to bring the Programme for Endorsement of Forest Certification (PEFC) to New Zealand.

PEFC certification is built upon our own national forestry standard, NZS4708. The Wood Council supported the development of this standard in 2014. In providing both forest management and chain-of-custody certification, PEFC sits alongside FSC and will give growers and manufacturers the option of choosing single or dual certification. New Zealand’s PEFC certification scheme is now awaiting final signoff at the PEFC General Assembly in Geneva in December; in 2016, the scheme will become available to the industry.

I would like to take the opportunity to thank members who have helped shape the PEFC programme and, also, continue to manage our FSC system. I acknowledge the broad support provided to New Zealand by the Australian Forest Certification System Ltd and note that we look forward to working in parallel with them on the operation of PEFC. Thank you also for the financial support of the PEFC work from PEFC, MFAT and AGMARDT.

Enhancing International Trade

As the international trading environment continues to change rapidly for forest product exports the Wood Council decided it was time to have a stocktake of the kind of challenges we are up against. Whilst tariffs continue to fall under FTA agreements, countries have become adept at substituting these with non-tariff measures that can be even more potent forces in restricting trade.

The objectives of the study are to:

- Determine New Zealand exporters' perceptions of the extent and impact of trade measures and policies in their export markets and the effect of those measures on their export strategies.
- Using a case study approach, determine the extent and impact of trade measures imposed in two important New Zealand export markets (China and India) and two competitor supplying countries (Canada and Chile) on New Zealand exporters' competitiveness.
- Provide an overall assessment of the risks to New Zealand wood products exporters, and Woodco's vision, of trade measures imposed in export markets and by competitor countries.

Through identification of priority trade barrier issues for Woodco and New Zealand government officials will be better placed in future for consideration of NZ wood exports in international trade negotiations. This study was presented to the Council today.

Climate Change

A year in which a new international agreement is being negotiated and the Emissions Trading scheme review is taking place has significant implications for forestry and wood products. While the impact varies across the value chain there are commonalities and it is important that the sector is well informed and involved in both developments.

Earlier this year Woodco submitted a pan-industry view on where New Zealand should be going with its international target and how best the sector can assist with that. More recently, through a strategic partnership with the Ministry for Primary Industries

Woodco convened a sector workshop to begin the process of understanding and inputting to the ETS review.

Promotion of Excellence in Wood-Based Design and Structure

NZ Wood is the promotional arm of the Wood Council and remains a joint commitment between processors and growers. NZ Wood continues to promote forestry and the use of wood on its re-vamped website whilst responding to a regular stream of technical inquiries from the general public, builders, architects and engineers.

This year also saw the 40th anniversary of the NZ Wood Resene Timber Design Awards (TDA). The main event was held in Auckland on 16th September and was very well attended by the leading lights in New Zealand's architectural and engineering communities. An all-time record number of entries were received this year (over 120) into a total of nine categories. In, breaking from the norm, an award was given to someone going the extra distance to champion the use of wood. In this inaugural year the award went to the Hon. Steve Chadwick, Mayor of Rotorua, for her leadership in implementing a "Wood First" Policy in Rotorua

A big night in Auckland then gave way to a three city tour with the TDA taking in Wellington, Christchurch and Nelson where the winners' and finalists' designs consequently got much greater exposure. I now look forward to seeing an even bigger event in 2017.

Following previously successful public promotions the NZ Wood campaign is again gearing up to connect with the public through a "Love our forests" campaign which will focus on three key areas where forests contribute to our well-being – recreation, environment and economy. This will involve multi-media channels and build on the platform established through the TV advertising that so many people still remember.

On more routine matters the executive officers of Woodco's members held coordination meetings with the NZ Institute of Forestry and the NZ Timber Industry Federation to achieve greater coherence on policy matters relating to forestry and manufacturing. Issues covered included the ETS, illegal logging, ecosystem services, trade access, genetic modification and fire control. This collective work expands and enhances the work of the individual organisations and aims to create the "one voice" to government agencies on matters that affect the whole value chain.

I am pleased that the Wood Council has produced solid outcomes this year and that I am handing over an organisation to my successor today that continues to do exactly what Jim Anderton said, in 2005, a peak body should do: coordinate, cooperate and share new ideas.

Bill McCallum
Chairman: 26 November 2015