

David Carter

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ForestWood closing speech

Thank you for inviting me here today to close your conference.

As I reviewed the latest New Zealand Logger magazine, I took particular note of John Ellegard's editorial.

He wrote he was not expecting this get-together to produce seismic shifts in the New Zealand forestry industry. Instead he said it would be a meeting about unity.

Coming from Christchurch I can tell you I've had quite enough of seismic shifts. We've had something in excess of 1,500 shocks and aftershocks over the past month.

As I look around the room I see many movers and shakers of the New Zealand forestry industry. It's up to you what you take from this conference, but what I will say is that in this current climate unity is crucial.

Back to Christchurch, as I have driven around the city over the past four weeks and seen the devastation I've also seen the huge opportunity for timber construction. Where brick and stone lie in ruins neighbouring timber buildings stand largely unaffected.

It's the work led by Professor Andy Buchanan from Canterbury University that tangibly presented to me the huge potential that timber has for multiple storey buildings.

When the 7.1 magnitude earthquake struck Christchurch on September 4, the importance of Andy's work became even more relevant.

That timber is a lighter and more environmentally-friendly building material is an absolute given.

Now we have the opportunity to show it can be stronger and safer in earthquakes than the concrete and steel structures that dominate our building mindset.

As your Minister of Forestry I will do my bit to champion the benefits of timber.

I'd like nothing more than to see a significant amount of timber used in Christchurch's rebuilding programme.

But I can't do it on my own. All of you in this room must connect with and convince the design community, the construction industry, and those owners rebuilding to recognise the unique qualities of timber and to seriously consider timber as an option.

In the face of disasters like these, we in Government play our part in the recovery. But at the same time we need to keep focused on our over-arching goal - and that is for economic growth.

As the New Zealand economy continues to navigate a patchy recovery from the global recession, the forestry sector has a major role to play in this Government's plan for growth.

Forestry is our third largest export industry.

Your industry is responsible for close to 10 percent of all merchandise export earnings.

You directly employ around 20,000 people.

Forestry is currently performing well. The past 12 months have been good.

Forestry-based exports for the year to 30 June 2010 were 18 percent higher in volume terms than for the previous year, despite key markets such as Australia and the US, having only tentative growth in the construction sector.

We have seen increased demand for logs by China, and to a lesser extent Korea and India.

A diversified export market is important. The China Free Trade Agreement has meant China has quickly become New Zealand's second largest trading partner, and the forestry sector's top market destination.

To reduce the barriers to growth this Government knows the importance of an ambitious and aggressive trade negotiations agenda.

The next country of opportunity, and where we have free trade negotiations underway, is India.

As the Prime Minister told you this morning in the last six years we have seen phenomenal growth in our forest and wood trade to India - from \$27million in 2003 to \$270million in 2009.

The reason our work around free trade is so important to the forestry sector is because in just 10 years time, more than 10 million cubic metres of additional timber will be available for harvest.

We need that wood, whether it be logs or value added product, to have a market to go to.

This so called "wall of wood" is a "sea of opportunity" for the New Zealand forestry sector. And our fast growing Asian trading partners will be where I see our supply meeting their demand.

In addition to trade, another way Government knows we can boost our economic growth potential is through investment in primary sector innovation.

Our commitment to innovation, research and development saw the launch of the Primary Growth Partnership a year ago.

I am proud to say that this government-industry initiative has, in its first 12 months, delivered a staggering \$368 million in investment to primary sector innovation. This is the largest spend in decades.

You in the forestry sector were one of the first to make the most of this opportunity. Your harvesting research programme bid was approved in the first round of PGP funding.

The Government is contributing \$3.27 million over six years to this project, matched by forest industry funding, that is a total spend of \$6.5 million.

I look forward to seeing further Primary Growth Partnership investment that will lead to transformation and growth across the forestry sector.

I want to just briefly reinforce this Government's commitment to the Emissions Trading Scheme. I know the Prime Minister also gave you some reassurance around the scheme this morning.

The Emissions Trading Scheme is here to stay, regardless of international negotiations that are due to continue at Cancun, Mexico later this year.

The scheme as it stands presents opportunities for farmers and farm foresters. It delivers the possibility for increased cash-flow, particularly from marginally productive pastoral land.

Finally, we are making steady progress on the National Environmental Standard for Plantation Forestry. There has been some concern about where the bar might be set. But as the Environment Minister, Nick Smith said to Forest Owners yesterday if we do the work and it doesn't deliver for industry, it won't be going ahead.

We need to provide consistency to how district and regional councils manage plantation forestry, and help reduce unnecessary compliance costs and inconsistent environmental protection measures.

In closing I would like to reinforce the Government's commitment to the forestry sector - we are keen to work with you to drive this sector forward.

This conference has provided a wealth of opportunity for your industry to get together, to network and jointly consider strategies for the future.

As I said at the start what you gain, what you take from this opportunity is up to you.