

Newsletter for June 2006

View from the Treetops

The forest industry seems to be in a busy period lately, with good export log prices and fine weather over the summer. There has been some rain on our parade though, and I am sad to relate the death of a worker in a local logging operation. Our thoughts must be with family and loved ones after such a tragedy. Adam Keeves may not have been known to all of us but he was loved by his family and should by all that's fair in the world be at home today with them. We all need to keep vigilant for hazards and be quick to react to any potentially unsafe conditions in our workplaces. Look out for your mates.

We are coming to the end of the fire season and it has been a long, hot and expensive period for some forest owners. Weyerhaeuser suffered an entirely preventable loss at Canvastown through no fault of their own, and only a great response by the fire fighters kept the situation from being even worse. Check your insurance, watch for smoke, and be ready to help your neighbours.

I read recently that the worlds first exchange traded carbon offset took place on the Chicago Climate Exchange (CCX) recently. I quote *"The carbon credits registered at CCX originate from reforestation of 4,638 hectares of formerly degraded pasture land in Costa Rica. This project generated 221,700 metric tons of CO2 offsets (or 2,217 Carbon Financial Instruments - CFIs) that could be verified and registered for trading in the coming months in CCX."*

Make want you want of that but it is a sale of a forest product in an entirely new form. Its something I for one will watch with great

anticipation. I didn't see the price paid unfortunately. The CCX also trades wetland mitigation. I am not a resource economist but my understanding is that this allows a business to buy environmental credit from an environmental project to use to offset a real or perceived issue with their own business operations. A local example might be a winery putting in a wetland to show green credentials and allay concerns about environmental performance in other aspects of their operation like say chemical spraying. Instead of actually putting in a wetland yourself in this case you pay someone else to put one on their own property and advertise yourself as a good corporate citizen. The end result should be more environmental projects taking place as existing polluters pay for this service.

I may even build a few swamps myself, to sell to Bill Gates; once the price is right!

Regards

Bert Hughes

Canvastown Fire of 8th March 2006

Most of you will have heard or read about the recent forest fire at Canvastown and naturally thought "Thank Goodness that's not my forest"

I wonder how many of you thought to check whether your insurance was up to-date. Not only for forest cover but also Public Liability and the associated fire fighting clause.

An interesting fact is that approx 90% of all forest fires are started outside the forest boundaries (excluding Mother Nature and arson)

Blazing Furore

A question or two to ask yourself, 'How well do you know the neighbours surrounding your forests'??? Do you know whether your neighbours carry Public liability Insurance and the fire fighting endorsement???

Do any of these neighbours periodically light fires to carry out land clearing, burning rubbish or light incinerators if so are they covered and to what level given the potential value of your forests.

I will outline a few facts from the recent Canvastown fire that hopefully will encourage you to get answers to the points discussed above.

Area Burnt	Planted area	135.0 ha
Other		80.0 ha

At the height of the fire there were,

- 10 helicopters
- 14 management/admin staff
- 137 ground fire-fighters
- 8 fire engines
- 5 water tankers
- 2 smoke chasers
- 2 bulldozers
- 2 excavators

The concentrated activity lasted for 3 days then slowly scaled down with the locating of and extinguishing hot spots lasting another 12 days.

I haven't detailed any costs for various reasons, but from the scale of activity listed above you should be able to draw your own conclusions.

Remember this is only one side of the ledger as a result of a serious fire. The other side involves loss of crop, loss of tending associated costs, loss of potential value/revenue if they are a few years away from harvesting. The associated clearing and re establishment costs.

Certainly food for thought.

Garry Tait

New Zealand forest owners are worried that any moves to put the rural firefighting service under national management could put lives, forest and property at risk. The Department of Internal Affairs (DIA) seems so determined to bring this restructuring about that it appears to have tilted analysis of the formal submission process in favour of the proposed national model. Vivienne McLean reports.

Forest owners have now taken their concerns to Minister of Internal Affairs Rick Barker, claiming his department's analysis of review submissions does not accurately reflect stakeholder attitudes to reform.

It is not the first time rural firefighting has faced a major upheaval. When the New Zealand Forest Service was disbanded the National Rural Fire Authority was established to ensure the service's specialist fire management capability was retained and effectively deployed.

But the difference this time, say forest owners, is that many believe there is a hidden agenda to create a single centralised fire management bureaucracy.

In December 2004 the DIA circulated a discussion paper *New Fire Legislation: the Functions and Structure of New Zealand's Fire and Rescue Service*. It argued for the need to reform the two fire management systems, one based on urban structural fires under the Fire Service Act 1975, and the other on the Forest and Rural Fires Act 1977.

The New Zealand Fire Service (NZFS) runs the urban system, and 86 individual rural fire authorities handle rural firefighting. However, the two often overlap, particularly in smaller towns where rural and urban brigades commonly cover for each other and volunteers play a vital role. This two-system approach reflects the different requirements of rural fire management and urban fire control.

The DIA discussion paper identified some deficiencies in legislation and the evolving need for non-fire emergency capacity. More importantly, while acknowledging that some aspects of both branches of fire management were effective, it also suggested that the dual fire management system does not result in "the most coordinated and efficient approach to firefighting and responding to emergencies".

The paper invited submissions in response to three options: 1: a National Model; 2: Modified Status Quo; and 3: a National Regional Model.

Alarm bells

The NZ Forest Owners Association (FOA) put in submissions but, as fire committee chair Kerry Ellem explains, alarm bells rang when the FOA saw how its submissions had been summarised and heard rumours a national model was going to be pushed.

He says rather than the preference for Option 1 concluded by the DIA, talking to others around the industry it became clear there was a lot of support from land and rural fire managers for a regional approach, which was not reflected in the DIA's summary.

The FOA then asked Dunedin consultant Chris Perley to analyse all 127 submissions and, in particular, to investigate the rationale behind them.

"Chris's report clearly outlines that there's a tremendous amount of support for what was deemed to be Option 3 – a regional rather than a centralised, central government approach to rural fire."

Perley's analysis concludes reforms may be necessary, but not at the expense of past gains. It recommends that any reforms build on the core operational qualities of the existing fire brigades and their people and communities.

"The DIA discussed a number of issues relating to the current fire management system and presented some ideas on how fire management could be improved," says Perley. "However, they tended to focus on central management functions – accountability, demarcation of responsibility and cost 'efficiency' – over regional and brigade management functions that more strongly emphasize staff and community relations, motivation, operational judgment and experience, and the 'Four Rs' of rural fire management – Reduction [in risk], Readiness, Response and Recovery".

Two clear groups of submissions emerged, he says, "One favours moderate, 'evolutionary' reform, building on existing regional strengths and with least disruption, especially at the local brigade level [Options 2 and 3]. The other is more focused on central management functions of planning, organisation and control, with potentially radical structural change designed from central management down [Option 1].

"The DIA and possibly NZFS management appear more sympathetic to a reform approach focused more on central management functions than on operational management functions."

"Forest owners, the Department of Conservation and rural fire interests are particularly in favour of retaining a regional presence and acknowledging the specialist skills and 'soft' management attributes [community support, volunteerism, esprit de corps, etc] that are necessary for effective outcomes. It is this effectiveness of fire management outcomes that is of major concern for this group of submitters."

"The weight of submissions has demonstrated the same concerns from regions throughout New Zealand. The strongest message from all the submissions is the need, whatever the option chosen, for more weight of consideration placed on a regional presence in fire management, with minimal disruption of the present organisational effectiveness of the local level. This is the key message the DIA ought to have got out of the submission process," says Perley.

NZFS struggles

For Ellem it is vital to get the right answers.

"The Government might only look at something like this once every 10 to 15 years, or even longer. If you get something into the system that's wrong it takes a devil's own job to fix or improve it. So we're very conscious of making sure this doesn't get steered off into one purpose, forgetting how it operates and exists. "I think the NZFS really struggles to understand the differences and complexities between urban and rural fire. We're not saying one's more difficult than the other – we're just saying they're totally different."

With a second discussion paper due shortly, forest owners have taken Perley's analysis – and their concerns – to Rick Barker and to the Minister of Forestry Jim Anderton, as well distributing it industry wide.

"What we're conscious of is trying to get this up in lights for the industry at large, to say this is what fire managers and rural land managers wanted when the DIA asked for a review and if anything other than this comes out, there'll be some serious consequences. We took the positive approach with the Minister – we said we know you inherited this, we just want to make you fully aware of the industry's position and it appears to be completely at odds with the DIA, so you may just want to have another look at this.

For his part Barker describes the meeting as positive, but he's not willing to comment further as he "does not want to pre-empt the Fire Service review".

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New Fire Service to be developed

The future shape and funding of the nation's fire and rescue services will be the focus of a workshop Internal Affairs Minister, Rick Barker, is planning.

Addressing the Auckland Provincial Fire Brigades' Association annual conference in Dargaville, Mr Barker said he wants to engage with key stakeholders to consider the ideas that have come from consultations in the past two years.

'There are two reasons for change,' Mr Barker said. 'Thirty-year-old fire legislation is outdated and is focussed almost solely on fire, rather than a wider rescue role. And our system of fire management is not well suited to our future needs.'

'The system is also unfair from a funding viewpoint. We need to try and make it fairer.'

The workshop will draw on information from public consultations in 2005 about the functions and structure of fire and rescue services.

Core propositions on the table for the workshop will include:

- More integrated services, bringing together New Zealand's rural Fire Authorities and the New Zealand Fire Service Commission
- The functions to be integrated would include oversight of all aspects of fire risk and a clear responsibility to attend non-fire incidents
- A single new brigade structure, accommodating both urban and rural fire and rescue workers
- Legal protection for all fire and rescue workers when carrying out their duties, and when properly trained
- Strong links to regional civil defence groups

'One organisation could assure us of a consistent approach to the standards and levels of services provided,' Mr Barker said.

'Changes in the past have been made because of tragedies, such as the 1947 Ballantyne's fire in Christchurch involving heavy loss of life.'

'It's much better to think about changes when we're not responding to a tragedy.'

'We need a service that is better suited to the future and builds on our present strengths.'

John Barnes

Rayonier Inc and RREEF

"In September 2005 a consortium comprising Rayonier Inc and RREEF Infrastructure, the global infrastructure investing arm of Deutsche Asset Management announced an agreement to purchase more than 95,000 hectares of mainly Radiata Pine plantation forests in the North and South Islands of New Zealand from Carter Holt Harvey. Simultaneously, Rayonier announced it will sell its existing plantation forest assets – approximately 48,000 hectares of plantation forest and 30,000 hectares of freehold land – to the consortium. This deal saw the consortium become the owner of the third largest forest plantation, by area, in New Zealand.

Rayonier New Zealand Ltd, a subsidiary of Rayonier Inc, a company with over 17 years experience in the New Zealand forest industry, has been appointed to manage the combined forest estate of more than 143,000 hectares.

As a result of this expansion, the previous Rayonier Nelson/Marlborough Regional Manager Dave Malone, has been appointed to the Southern North Island Regional Manager based in Wellington and Chris Cave has been appointed Forest Manager based in Marlborough. Locally the company manages Queen Charlotte Forest and is currently harvesting approximately 110,000 tonnes/PA."

Chris Cave

Underwater Logging

We have just had the Commonwealth games, including underwater synchronized swimming etc., for our entertainment. Now to entertain foresters we have underwater logging. Go to www.tritonlogging.com and www.csrdevelopments.com and have a look. Apparently there are huge tracts of forest around the globe that have been flooded by dam building, the trees are well preserved, growing in value, and no problems with fire or lack of rain!

Cheers

Rick Osborne