

20th October 2022

Submission in support of Eastland Port – Consent application.
Coastal Permit, Discharge to water/Construction/Dredging/Occupy space NES Soil/Land use

Background:

Forest Management New Zealand (FMNZ) has a growing presence in the Tairāwhiti Region. FMNZ currently has 15,500 hectares under management, with many of the forest partnerships nearing harvestable age. Most of the partnership forests are small private “mum and dad” investors which are very vulnerable to downward price fluctuations caused by shipping delays and extra costs.

Based on year-to-date production, FMNZ is expecting to export approximately 150,000 Jas/tonnes for the next calendar year. Over the coming years, with good markets FMNZ’s harvest profile will be capable of a sustainable volume of approximately 600,000 Jas/tonnes per annum.

Reasons FMNZ fully support the Eastland Port developments:

The entire Gisborne Forest industry is very reliant on the Eastland Ports ability to meet the forecasted export demands of a rapidly growing wood resource. With the current port configuration only having one berth, the throughput is restricted to approximately 3 million tonnes per annum. Any further growth in throughput would severely be hampered by unproductive extra handling and time moving and securing vessels.

During the past two years, weather events have forced the port to close resulting in forced waiting times for vessels to berth which then causes supply chain disruptions. The port has already undertaken many steps to improve efficiency, reducing shipping delays, truck waiting times and the utilisation of shore cranes to speed vessel loading. But with a limited storage footprint, the extra costs of double handling cargo from off port storage yards along with increased harvesting, roading and transport costs unique to the East Coast, make some forests uneconomic to harvest during periods of lower log prices.

FMNZ believe if the proposed port upgrade is not completed within a timely manner, the resulting effects may cause many marginal production forests to be converted to carbon only forests and won’t be harvested. The resulting ripple effects from a sharp decline in production forestry, would have significant negative economic outcomes for the East Coast Region.

The local forest industry has very little alternatives to the log export markets, with limited domestic mills available within the region that are within economic cartage distance. Further domestic processing is very desirable to the forestry industry, but this continues to be constrained by district plan rules and the resource consent process. FMNZ believes only limited further domestic processing options will materialise in the future, until the current resistance to progress or the “not in my back yard” attitude changes.

Some have suggested the option for the use of the rail transport from Gisborne to Hawkes Bay to alleviate export volume. This is not a realistic option due the extensive damage to the rail infrastructure between Bartletts and Nuhaka, where significant sections will require complete realignment or relocation of the line. This would near be impossible to get through the resource consent process. Furthermore, our experience since early 2020 of using the rail line from Wairoa to Napier has been successful, but it is a marginal operation vs trucking the volume to Napier.

We believe the development proposal at the Eastland Port should be considered a project of regional significance due to the overwhelming importance to the regional economy.

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