

Kaituna Sawmill

a quiet achiever

BY JACQUIE WALTERS

One of the Marlborough community's less well-known but important economic assets is Kaituna Sawmill, located just off SH6, a short distance from the Wairau River bridge. The Nelson Forests-owned company employs more than 60 people directly and supports many more suppliers, contractors and service providers in the region.

The mill is really only noticeable from the state highway because of the steam from the wood-drying kilns, yet the sheer size and complexity of the business takes many by surprise.

Kaituna Sawmill uses the structural and clear wood properties of the Nelson Forests resource to produce high-quality, appearance-grade finished lumber. Its products are distributed throughout New Zealand and exported, mainly to Australia.

"The sawmill was originally set up by the McVicar family as an extension of their Christchurch sawmilling and timber retail business, and in anticipation of the large log resource that came on stream in the Nelson/Marlborough area in the 1990s," says Bernie Schuler, who was involved in its original construction and has worked at the mill ever since.

The Kaituna site was seen as a strategic location for sourcing logs from the North Bank (Wairau), Rai Valley and Nelson area, using the Port of Marlborough and Port Nelson for export markets.

Darrell O'Brien, Kaituna's Site Manager, says the mill became operational in 1987, "and

provided an opportunity for local employment long before the wine-related industries commenced their substantial growth period in the region."

Global Forest Partners acquired the mill in 2000 through its company Nelson Forests Ltd, seeing it as an opportunity to add value to Nelson Forests' substantial 78,000ha estate.

The change in ownership led to sustainable year-on-year growth. In recent years a number of large-scale capital investment projects have improved the mill's productivity. Willie Rae, Kaituna's Operations Manager, says one of the recent projects was the installation of a huge automated lumber sorting line that is three storeys high and 113 metres long. A large high-span dry storage building for lumber is currently being constructed at the site.

Darrell says they plan and manage all project work in-house. "Our focus on constant improvement means that Project Manager Bryan Phillips and the Kaituna Lead Team are usually ending one project and planning the implementation of the next. We often have more than one major project on the go at any one time but projects are always well-controlled by good daily communication."

Constant improvement through capital investment is only a small part of Kaituna's story. "The investment in our people and the commitment, loyalty and innovation that they give us in return is one of the main reasons why we are so successful," says Darrell.

The sawmill has a high level of employee retention, which



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Darrell believes can be attributed to fully involving staff, plus comprehensive skills training and skill-based remuneration. Individual training needs and opportunities are identified using detailed skill-set charts that are displayed in every work zone.

The entire site shared in employee Dennis Finlayson's pride when he became an on-site certified Competenz skills assessor. "It's quite an achievement for a company of our size," says Darrell. "Usually it is only large companies that have in-house assessors."

The achievement is even more remarkable given that Dennis has struggled with literacy all his working life. He read his first book at the age of 52, thanks to the company's on-site literacy programme, run in conjunction with Literacy Marlborough.

"Since I have been involved in learning to read and write it has opened my eyes to a broader and bigger scope of what's out there," Dennis says. "I kick myself for being so lazy and not doing it earlier in life. Once I made the decision, it was easy. If I had had these opportunities in my 20s, like some of these guys have now, the sky would have been the limit!"

Encouraged by the transformation in his own life, Dennis encourages colleagues

to take part in the Literacy Marlborough programme, often with life-changing results at work and home.

Sue Ross, Kaituna's Supply Chain Manager, is hugely supportive of the programme. "This is an important issue," she says. "According to Ministry of Education figures that I have seen, 40 percent of people throughout the New Zealand workforce have literacy and numeracy issues. We need to get in behind people at all levels and ages who are willing to step up and do something about this so that they can reach their full potential."

Darrell agrees: "The ability to read and understand safety and procedural instructions and to count accurately is very important, especially given the increasing complexity in the workplace and the high expectations on employees."

The safety of employees and anyone who visits the sawmill site is crucial. "We have comprehensive safety systems in place, but most importantly we have bred a culture of safety first across all business activities," Darrell says.

A key part of developing the sawmill's operational culture has been its introduction of Lean Manufacturing Principles so that everyone on-site is thinking along the same lines. Applying



Kaituna Sawmill's Site Manager Darrell O'Brien with the new high span dry storage building that is currently under construction

From top: Green Mill Quality Controller Karen Way stands beside one of the site's many Health and Safety stations; Treatment Plant Operator and Competenz Trainer—Dennis Finlayson

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DARRELL O'BRIEN, SITE MANAGER.

these principles has led to many improvements, notably daily communication and engagement, improved safety, increased productivity, finding a home for everything and keeping the facility tidy.

“We were really pleased when an auditor from a Government department recently said this was the tidiest and best-run sawmill he had ever audited,” says Darrell.

One of the ‘pillars’ of Lean Manufacturing principles, ‘kaizen’, or ‘idea’, has been particularly effective. The kaizen principle encourages anyone within the business, or even visiting, to immediately write down an improvement idea when they think of it and then share the idea with their team leader or a manager.

“Participation levels from our teams are very good,” says Darrell. So far 335 ideas have

been submitted since Lean Manufacturing principles were introduced in January 2013. Of those, 295 have been implemented — many at low or no cost. “Our ‘Lean Journey’ is removing ‘waste’ from operational activities and introducing efficiency, which in turn provides clear thinking space and additional time for us to focus on our future strategy.”

The company also takes its responsibilities to the environment and the community seriously. It is part of the FSC Chain of Custody programme, an internationally-recognised organisation that promotes good practice and environmental responsibility in the forestry industry. “A strong commitment to the environment is essential for the long-term sustainability

of our sawmill, and is also crucial when it comes to market acceptance of our products.”

In the last year alone the company has reduced its energy use by 10 percent. Byproducts such as sawdust, woodchip and bark are either sold to re-manufacturing facilities or landscapers, or used as biomass fuel for the two steam boilers for Kaituna’s wood-drying kilns.

“We’re really proud to be a stable Nelson/Marlborough employer, contributing as part of Nelson Forests Ltd to the direct and indirect employment of 600 people in the Marlborough and Nelson regions. We also provide a significant source of business for many local suppliers,” says Darrell.

“According to economic data provided by Infometrics last

year, forestry, logging and lumber products contribute 35.5 per cent of the region’s GDP — the single largest contributor by industry. Our sawmill also provides export revenue for the Marlborough economy.”

The 2,200ha of plantation forests that Nelson Forests harvests each year are all replanted.

“That means our business is based on a totally renewable resource,” says Darrell. “We look forward to being a part of the Marlborough community for many years to come.”

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