

backs of privatisation, the urge to make immediate profits in the short term to the detriment of the long-term good of the forests.

On October 10 the NZ Alliance invited us to attend a ceremony on the Beehive steps to present the 240,000 petition signatures they had gathered. Lindsay Poole and I attended and at the request of Jim Anderton spoke briefly. We said nothing new or original. It is hard to know what will happen to this petition and whether in fact a referendum will result. Even if it did and was successful we still do not know that any Government would agree to a buy-back arrangement.

We had previously reminded Treasury about the earlier Bilek-Horgan analysis of the 1990 and 1991 sales. It had gone to Treasury, but appears to have been unnoticed. The conclusion was that the sale was largely political. We did not know that Bilek had continued his investigations and we were remiss in not contacting him. This was done through Colin Bassett but the material arrived too late. It was highly relevant. The conclusion from a mass of specific figures was that "the Forestry Corp. returned a far higher proportion of its sales in profits than did either CHH or Fletcher Forests. This means that less of the Corporation sales went into covering operating and administrative expenses. In other words, the Corporation was operating more efficiently than CHH or Fletcher Forests."

It is doubtful, however, if earlier publication of these figures would have influenced the Government's attitude to the sale. From all the arguments for the sale, it would appear that the Government seemed to be as immovable as the Rock of Gibraltar. The sale once again was based on strongly-held political considerations rather than on established facts.

The sad and surprising part of the whole business is the public apathy about the sale. Many public organisations must have had views, some for and some against. But they were silent. Even more surprising is the almost complete lack of comment from Institute members, many of them ex NZ Forest Service.

I don't think that we three were wrong in recognising the importance of Kaingaroa to New Zealand and the efficiency of its past and present management or its potential for generating even greater future wealth. The New Zealand public has allowed the Government to claim otherwise.

As for ourselves, our efforts were not successful. We were described by a prominent Wellington journalist as "troglydotes" – perhaps she was right.

Priestley Thomson



RECENT EVENTS



Sale of Forestry Corporation of New Zealand

In 1985 approximately half (555,000 hectares) of the plantation resource of New Zealand was owned by the New Zealand Government and managed by the New Zealand Forest Service. That year the New Zealand Labour Government decided to disestablish the Forest Service. The plantation resource was transferred to the New Zealand Forestry Corporation – a State Owned Enterprise.

To reduce public debt, the New Zealand Government announced in December 1987 a strategy for the sale of government-owned assets. Included in those assets was the plantation resource of the NZ Forestry Corporation.

For sale, with very few restrictions, were the assets (mostly the trees) on the land, but not the land itself. The land was to be transferred as a crown licence on which an annual rental was to be paid. These licences were for the use of the plantation resource and ran for up to 70 years – to allow for the harvest of two rotations of plantations. It was expected, but it was not a condition of the sale, that plantations would be replanted after harvest.

July 4, 1990 was the closing date for bids on approximately 90 parcels of plantations. After this first round only 13% of the plantations (mostly the Nelson plantations) were sold. Subsequent sales sold much of the state plantation asset.

A notable exception was the 190,000 hectares of Central North Island plantations (mostly Kaingaroa forest) which were not sold but were transferred on November 30, 1990 to another State Owned Enterprise – the Forestry Corporation of New Zealand. It was the stated intention of Government that this State Owned Enterprise would eventually also be sold.

Two Rotations

Early in 1996 the National Government of New Zealand finally announced the sale. As in the previous plantation sales, the offer was limited to access to the trees for up to two rotations. The land was not for sale, and was to be leased from the Crown. The offer did, however, include two wood-processing plants.

Eventually three groups bid for the sale:

- The USA-based Weyerhaeuser Company
- The New Zealand company Carter Holt Harvey in association with the Malaysian-based plywood manufacturer Jaya Taisa Bhd, and the Maori group Te Ama (which represents the Maori tribes with claims to the land on which the Forestry Corporation plantations were growing)
- The New Zealand-based Fletcher Challenge Limited in association with Brierley Investments and Citifor, the forestry arm of a Chinese international investment company.

In August 1996, the New Zealand Government announced that the State Owned Enterprise had been sold for \$2.03 billion to the Fletcher Challenge consortium. The consortium is 37.5% owned by Fletcher Challenge Ltd, 37.5% by Citifor and 25% by Brierley Investments. The forest and processing operations will be managed for the consortium by Fletcher Challenge Forests. The Forestry Corporation and Fletcher Challenge Forests immediately began the process of amalgamating staff and integrating operations.

The sale has attracted a great deal of attention from the New Zealand public. The New Zealand election (the first with proportional representation) was held on Saturday, October 12. The National and Labour parties (who won 34% and 28% respectively of the votes in the new Government), both support the sale of the Corporation. Two other political parties, New Zealand First and the Alliance, (who won 13% and 10% respectively of the votes) both oppose the sale and have both vowed to buy back the plantation asset. The Alliance party even campaigned with a petition and claims to have obtained the necessary 240,000 signatures which will force a National Referendum seeking opposition to the sale. That National Referendum, even if supported by a majority of New Zealanders, would not be binding on Government.

Although many New Zealanders are still probably against the sale, it is very difficult to see that any changes could happen. There is no simple process for reversing the sale of state assets and new legislation would probably be required.

There would be major legal issues, as well as national credibility problems. The fact that a large majority of the politicians now support the sale should ensure that there will be no reversal of the sale decision.

The purchase of the plantations and wood-processing assets of the Forestry Corporation increases the size of Fletcher Challenge Forests. The company now manages approximately 380,000 hectares, or

25% of New Zealand's plantation resource. Fletcher Challenge Forests is now the largest plantation manager in the country.

Wink Sutton

Environmental Risk Management Authority appointed

Membership of the new Environmental Risk Management Authority (ERMA) was announced recently by the Minister for the Environment, Hon Simon Upton. ERMA is the independent regulatory body set up to assess and set controls for the management of hazardous substances and the introduction of new organisms under the Hazardous Substances and New Organisms Act.

The Authority chair will be Mr Bill Falconer, an Auckland company director and commercial barrister. He is currently chair of the ACC Board and recently chaired the Carbon Dioxide Working Group.

The deputy chair is Dr Oliver Sutherland of Christchurch, General Manager, Weeds and Pests, Landcare Research,

Lincoln. Other members are Professor Alastair Scott, head of the Auckland University Statistics Department; Professor Barry Scott, Director of the Massey University Molecular Genetics Unit; Dr Lindie Nelson, Ministry of Fisheries Senior Policy Analyst, Wellington; Mr John Maasland, Executive Director of Wilson and Horton Ltd, Auckland; Mrs Helen Hughes, the retiring Parliamentary Commissioner for the Environment, Wellington; and Dr Terence Lomax, NZ Forest Research Institute senior scientist, Rotorua.

Mr Upton said that while the HSNO Act became law on June 10, 1996, most of it was not expected to come into force until early 1998. Until then existing laws and regulations will continue in force.

Developing a methodology for assessing hazardous substances and new organisms will be the priority task of the new Authority, and ERMA is expected to report to the Government on this aspect by December 1, 1997. Regulations will have to be developed and ERMA members will also be involved in the practical details of establishing the new organisation.

Under the HSNO Act, ERMA will be responsible for:

- assessing and setting standards for the control of hazardous substances and new organisms;
- advising the Minister on, and promoting awareness of, the control and effects of hazardous substances and new organisms;

THE FOREST RENEWAL B.C. CHAIR IN SILVICULTURE

Department of Forest Sciences University of British Columbia

The University has recently established an endowed chair in silviculture in the Department of Forest Sciences supported by Forest Renewal B.C., and we invite applications for the position, which is expected to be filled at the full professor level. The main task of the successful candidate will be to bring the relevant scientific knowledge and understanding to the public debates concerning silvicultural strategy and practice. The position will require research leadership, supervision of graduate students, and some teaching at both the undergraduate and graduate level.

Applicants should have a Ph.D., extensive experience in silviculture, a broad understanding of forest management issues, a well established research program, and a record of successful involvement in public debate concerning policy formulation in Forestry. Teaching experience is desirable.

The University of British Columbia has established programs in several areas of biology and management. The Centre for Applied Conservation Biology, the Centre for Biodiversity Research, the Sustainable Development Research Institute and the academic departments in the Faculties of Forestry, Science and Agricultural Sciences form a strong supporting community of scholars. The University manages two Research Forests, one near Vancouver and one in the central Interior of the province.

The forests of British Columbia are rich and varied, and the management of these forests is at a critical juncture where new demands for their use and conservation include a wide range of products and processes. Forests in near natural states as well as second growth forests will require many new silvicultural approaches to satisfy diverse demands.

The University of British Columbia welcomes all qualified applicants, especially women, aboriginal people, visible minorities and persons with disabilities. In accordance with Canadian immigration requirements, priority will be given to Canadian citizens and permanent residents of Canada.

Please direct enquiries and applications consisting of a Curriculum Vitae, the names of 3 referees, and a brief outline of expertise and research interests by **January 15, 1997** to:



Dr. B.J. van der Kamp
Department of Forest Sciences
University of British Columbia
193-2357 Main Mall
Vancouver, B.C., CANADA V6T 1Z4
Tel: (604) 822-2728 Fax: (604) 822-9102
e-mail: bart.john.van.der.kamp@mtsg.ubc.ca