

objectives. The document excludes any reference to the linkage and advice to and from regional and district government. Under the goals (5) of providing an authoritative and comprehensive forestry information service and also in the situation analysis dealing with internal strengths and external opportunities, the linkage with regional government and district government should be reinforced. The mission and functions could make explicit reference to local authorities as the other half of government involved in forestry.

### 3. Regional Liaison

The higher profile of Timberlands, the Ministry of Forestry as advocates, is already reflected in their involvement in the community. The Ministry's recent Waimakariri Basin visit considering forestry, farming and tourism, is an excellent example of co-operative initiative.

### 4. Regional Planning

In an indicative sense as a guide for the public sector, joint ventures, Forestry Corporation and private sector activities are still alive and well. I attach a summary of aspects being embraced within the Canterbury Regional Scheme. A new style of scheme is emerging, including:

- (i) Advocacy Statement
- (ii) Formal Objectives
- (iii) Letters of Agreement
- (iv) Guidelines

### 5. Local Government and Forestry

Over ten years local government and forestry interests have been on a converging course. This is a productive and efficient use of resources. Closer dialogue, especially at the regional level, is sensible and will reap benefits.

### 6. Review of Resource Use Management Statutes

Members of the Institute and Ministry of Forestry should make a major contribution to the review of the Resource Use Management Statutes. The issues surrounding forestry as part of the primary production and rural resources of the nation together with the most efficient means of seeking planning approvals are good reasons for your involvement.

# Expectations of the Ministry of Forestry

A.W. Grayburn

## Introduction

Prior to 1987 the New Zealand Forest Service was beleaguered for several years by various proposals for reorganization or restructuring to improve the state sector. In many respects these turned out to be counter-productive and did not have the desired effect. During the same time the New Zealand Forestry Council was given a new constitution but it lasted little more than two years. The Ministry of Forestry grew out of these developments. This paper examines the subject from the point of view of the private sector forest owners. It is in three parts. What did the private sector see as needing to be done by a State Department or Ministry? Once it has decided to set up a Ministry of Forestry, what are its missions or functions? And a little over a year after it was set up, how has it performed those missions and what with a little hindsight does the sector think about it?

## Why did we need a Ministry of Forestry?

This question must be viewed from the background of a very successful 1981 Forestry Conference, plus the views that the Forest Service should not be disbanded and that a Forestry Council was still necessary. We all know now that the optimism of the 1981 Conference was short-lived. In the short term none of the things we expected survived. Corporatization came along and quickly the Forest Service was no more. Whatever was to emerge to represent the State as an overview of the forestry sector and to advise Government would have particular and important functions. In various submissions to Ministers of the Crown over time, the Forest Owners had views on this. The list of functions was wide, including a range of research, planning and advisory duties.

One submission said:

"The most important function, and the critical reason for the existence of the Ministry, will be to provide economic and strategic research, and to represent the

sector on a co-ordinated basis, both domestically and internationally. It will be the only common organization which can objectively and impartially represent the sector and provide total industry economic, research and planning information. This will be a critically important function for the sector over the next 20 years as the industry expands and current wood production undergoes a threefold increase and exports expand eight to tenfold.

"The Ministry would provide reviews of trade, taxation and other policies that affect the future development of forestry and could provide assistance in removing barriers to trade. It would be involved in the development of markets in China where official government backing is so necessary. It will fill a need for liaising and co-ordinating with our major potential competitor, Chile, to jointly promote and develop markets. Liaising with radiata producers in Australia and Spain will also be necessary.

"The Ministry will provide invaluable research not only into the products we should be growing and how they can best be grown, but also on product development. An applied and innovative research effort is an essential support if New Zealand is to make the most of the opportunities offered by our plantation resource."

A similar list was submitted by others. From amongst the above items, the Forestry Council was undertaking such things as: market research for radiata pine products; development of produce price indices; participation in the National Forest Description data bank; developing a sectoral planning format; forest taxation investigation; and forestry joint venture formats.

With the demise of the Forestry Council, some of these things would need to be picked up by the Ministry.

## The Ministry of Forestry Mission

The Ministry is authorized under the

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Forests Amendment Act 1987 and builds on the Forests Act 1949, reprinted in 1986. There are few real changes, although functions are divided up. The Minister may still make grants and loans, appoint advisory committees and acquire land for special purposes. The Secretary may require the disclosure of statistical information, still has powers of quarantine inspection for forest product imports and exports, is responsible for disease control, still has powers in the timber preservation area and has a co-ordinating role in the area of forest and rural fires, to mention a few.

### The Ministry's Performance One Year On

It is very difficult to review the performance after such a short time. Whatever has happened or is going to happen is greatly influenced by the Government's "user pays" philosophy and the Ministry's "objective targets" set as a result. Some of the Ministry functions must continue and maintain their past record and high standard, e.g. in research, but that is not easy while the sector is undergoing massive changes and is in the middle of a depressed economic period.

At the last AGM of the New Zealand Forest Owners' Association, the following comment was made and recognizes all these problems as an illustration:

"The effect of the Government's policy of 'user pays' is significant in providing the funding for much of the Ministry's activity. This has included the general area of forest health and import quarantine where an advisory committee has now been set up to determine procedures, charges, etc. Export quarantine has similarly been the subject of much study and a small task force is considering the need for inspection and certification activities and is endeavouring to rationalize the need for quarantine certification and the issue of the appropriate certificates. This may well mean negotiation with overseas parties to ensure the removal of unnecessary detail and deterrents. Rural fires control remains an area where much work has been done but where more is called for to ensure the establishment of an acceptable replacement for the general administration, control, liaison and practical effectiveness formerly provided by the New Zealand Forest Service. As with other activities, the question of 'who pays?' is particularly relevant, but, as with forest health and import/export quarantine, it is not only a question of who provides funding but

who provides the actual service concerned. The Association had maintained the view that in many aspects the Ministry of Forestry should have a training and auditing role to supervise the provision of inspection services, certification etc. by duly qualified persons not necessarily in the employ of the Ministry of Forestry but whose standards are properly monitored.

"The setting up of research co-operatives at the Forest Research Institute has been a means of ensuring continuing research in those areas which have close practical relationship to the activities of members. However, there remains a need for significant research of a general nature not specifically attractive to individual operators, but yet necessary to maintain New Zealand's position. The Executive Council has strongly promoted the view that funding of research in the national interest must not be neglected.

"The future development of sector planning tools is required to deal with the major expansion of the industry over the next decade. The National Exotic Forest Description is one aspect of this where the Association has been represented on the Steering Committee but where greater liaison is called for in the establishment of targets and the planning of information collection and production. A proposal in this regard is to be put to the Annual Meeting to encourage members to assist in the provision of statistics for the National Exotic Forest Description. Regulations in themselves are not enough."

The current drive for income will inevitably bring the commercial activities of Ministry of Forestry into conflict with the other members of the sector and hence either directly or indirectly impact on the perceived objectivity of policy advice. This situation must be of concern to the sector as a whole. Either Ministry of Forestry policy advice is important to the sector and must be and be seen to be without bias or prejudice, or it is not important and should therefore be removed before confusion results.

It is imperative, if the achievements of the last 20 years are to be exploited and the potential for current research to be realized, that we avoid the trap that industry should fund all or most short-term research and the Government take responsibility for the medium to long term "in the national interest". Forestry is too long-term a business for this approach to be optimal from the national or sector viewpoint. We need

well funded, staffed and equipped programmes of research established jointly between Government and industry. Only then will we have research which is addressing the real problems, industry with the knowledge and incentive to use and gain benefit from the results, and a research environment which attracts and rewards top researchers.

The sector should decide whether it needs Ministry of Forestry policy input. I believe it does but fails to communicate adequately and regularly with the policy staff. If then Ministry of Forestry policy is to be effective it must avoid even a hint of bias or self interest by having no commercial axe to grind.

From this background a number of concerns have already emerged. They are:

1. To be effective Ministry staff must maintain a high standard of practical experience and contact with the operating sector. Without forests and forest operations, this will not be easy.
2. The Ministry is charged with providing extension services internally and to assist with aid to other countries when required. Whether these should become full consulting services is debatable, as then it provides competition to private sector consultants.
3. When is something in the "national interest" and when is it for commercial gain when it comes to charging for services? This is already an issue when looking at the charges for import inspection, the Timber Preservation Authority (already resolved, I believe), forest health surveys, to mention but a few. Others will certainly arise, e.g. forest fire education and awareness promotion nationwide.
4. Marketing of forest produce, particularly from small growers, has been started. Surely there are others in the private sector better able to provide the service and contacts.
5. The selling of research results, particularly to overseas competitors, can be debated at length. I believe exchange of research results is a two-way affair from which New Zealand forestry has had many gains in the past. The setting up of research co-operatives to get more money in may well complicate this ready flow of research results.
6. The need to avoid bias as an adviser to Government has already been dealt with. To have the confidence of the sector, the Ministry must regularly confer with all sections of it, seeking the various points of view. It must shake off the bias towards the

forest grower, something which was inevitably inherited from the Forest Service days.

Finally reference is made to the "Post Election Briefing" dated August 1987. It is admitted that the Ministry had not been formed long and perhaps the staff did not have all the experience that will ultimately be expected. But there turned out to be a new Minister, so first advice to him was vitally important. The document given him lacked balance. As examples:

- a. There was an over-emphasis on the solid wood as against the pulp and paper section of the forest products industry.
- b. At the same time there was little comment on the very sad state of the sawmilling industry in New Zealand; its technology, its total capacity, overseas and domestic markets are all very depressed.
- c. The absolute inevitability of the need to develop overseas markets for all products and clearwood is not the only answer to current problems.
- d. The enormous impact of the recent

changes in the taxation regime needed elaborating with a description of the consequences already evident.

- e. The general statements about the growth in future wood supplies needed correction. For example, they will not be in the central North Island where most of the industry and infrastructure already exists.
- f. It was unfortunate that the services of a private research unit which had a distinct well-known bias towards one company should have been used to prepare advice to the new Minister on the industry.
- g. There were other urgent items that needed to be drawn to the Minister's attention in which there is now a possible gap developing in the industry's activities, e.g. log pricing information; national sector strategic planning and basic worker and operator training.

The Ministry must finally have a distinct recommendation but it is important to have canvassed and weighed up all the points of view before advising

Government. I am sure they would accept these comments when one looks at what they describe as their "critical success factors".

## Conclusion

There have been massive structural and functional changes within most sections of the forestry sector over the last four years. Out of the public sector has grown the Ministry of Forestry. The greatest wish was to see that it became a cohesive single unit representing the sector as a whole, that advises Government on matters of policy, planning, forestry matters of national interest, all backed by a comprehensive research organization. Your view on the extent to which this has been achieved will largely be coloured by your perception of the impact of the "user pays" principle as already announced.

But what of the future? At least to this point a largely cohesive representative Ministry has been achieved. Unfortunately that may not continue. Government is proposing further massive changes in which a few macro-departments of State are set up. Existing departments may be split up functionally and each of those functions put into different departments. It would then be impossible for the forestry sector to be represented in Wellington with one voice; there may not even be a Minister of Forests. This is much more serious than whether or not the Ministry has performed to your expectations in the last year, or what happened to all our representations for restructuring of the State Sector over the last ten years. I leave you with the challenge as to what we should do about the future possible proposals, and what finally happens to the whole sector as we once knew it.

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