

The National Business Review conservation debate

On October 24, 1986 the National Business Review published an article by P.J. McKelvey entitled "*Avoiding State Forestry's oversimplification trap.*" What McKelvey had to say was well known to most people connected with forestry and to many others, in and out of Government; but it was a message which clearly had been insufficiently articulated. It was not understood — or if so not accepted — by conservation groups, by the news media, by politicians and certainly not by the Treasury. Indeed McKelvey was one of the first people to comment publicly on what he described as "the strong influence of two seemingly disparate groups, the environmental organizations and the Treasury".

The main thrust of McKelvey's paper was that forestry is not readily divisible into separate and separated production and protection functions and that it is in neither the long-term nor the short-term interest of the public for it to be so. He said:

"The simplistic view is that there are only two kinds of State forests: exotic 'wood factories' which do not possess environmental significance, and indigenous forests which do and where any management on a significant scale for the sustained production of wood would destroy environmental values. The true situation is more complicated. The exotic production forests can also confer the environmental benefits of soil and water conservation, recreation and amenity. Similarly, some suitable indigenous forests can be managed for sustained timber production so that many of the environmental values are protected. All these features were pointed out to the Government repeatedly during the long debate on environmental administration but little notice was taken of them; the simplistic perception prevailed."

McKelvey went on to warn (again perhaps the first person to do so) that such oversimplification could cause a rift between environmentalists and the Treasury.

In respect to the large areas of forested land to be administered by the Department of Conservation, McKelvey identified the major problem as not those previously dedicated by the Forest Service as Forest Parks, Forest Sanctuaries or Ecological Areas, but rather the still very considerable areas of undedicated forest with a potential merchantable forest resource. Much of these were in virgin forest but a sizeable proportion had been partially logged though still containing some merchantable timber. Of particular importance were the beech and

beech-rimu associations of Southland and South Westland. These, he said, "were heading for an administrative limbo. It is clear . . . that the Forestry Corporation will not want a bar of them because there could be pressures for more reservation. On the other hand environmental groups insist on simplified objectives for the new Department of Conservation and oppose it being involved in any management for timber..."

He said:

"It is germane to consider the true nature of these forests. They represent much more than so many million cubic metres of indigenous wood. All play a positive role in soil and water conservation. All constitute a recreational resource, not spectacular but significant to the extent they provide a natural forest environment for hunting, tramping, landscape values and enjoyment of nature and isolation. All provide habitat for native and introduced wildlife.

"There is another important consideration. Silvicultural research carried out over the years by foresters and other forestry scientists has led to the development of techniques for the management of the dominant beech component to produce sustained yields of timber. The harvesting of mature trees can be controlled so as to induce thickets of natural regeneration which, if thinned early to encourage growth and to minimize damage from insects, produce mature crops of sawlogs on good sites in 60 years for red beech and 80 years for silver beech. While the virgin beech forests form a resource in which 30% of the wood is chip grade and 20% furniture grade or equivalent, the out-turn from the renewed managed forest will be in the reverse proportions. And, with skilful operation, this yield of valuable timber can be produced in perpetuity without significant reduction of many of the environmental values associated with the virgin forests. Certainly, research by forestry scientists has shown that the range of species of native birds *in situ* will not be as great as in virgin forest but in most other respects, after the period of regeneration, the environmental quality will appeal to many people. Furthermore, the impact on native birds can be mitigated by leaving bands of untouched forest around the managed blocks.

"These are multi-resource forests which can be used in more than

one way. They have the potential of being managed to produce a sustained supply of indigenous hardwood timber which will become increasingly valuable as tropical hardwoods in the Pacific basin become progressively depleted. Indeed, more and more New Zealanders appear to be becoming attracted to the use of timber in a natural finish for decorative purposes just as supplies of decorative timber are dwindling. The beech forests have the potential of making a significant contribution to the New Zealand timber economy. Also, there is export potential."

McKelvey went on to stress the importance of ensuring that the two long-term options, sustained timber production and preservation, were not closed off in the interests of short-term expedience. "The liquidation of these stands now without silvicultural provision for their renewal . . . may provide a one-off financial injection for the Department of Conservation but . . . would be sharply at variance with the spirit of the Government's stated conservation policies. It would be hard to imagine it being approved by the environmental groups."

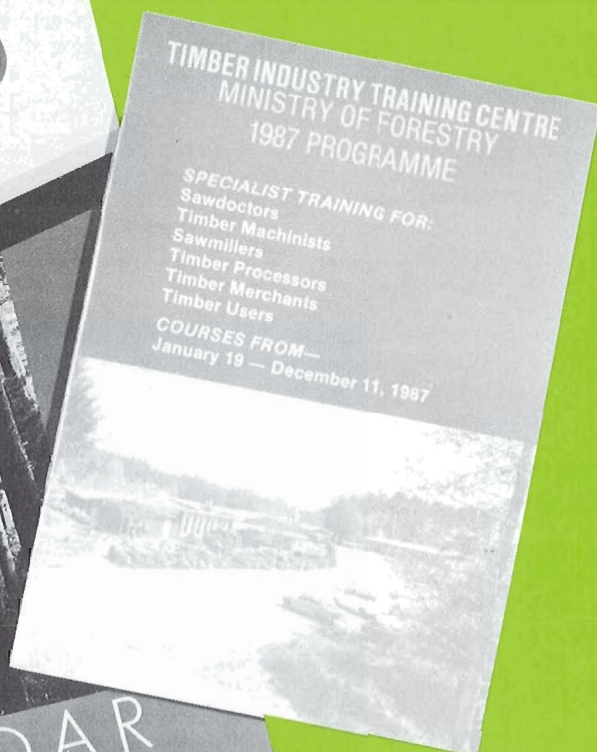
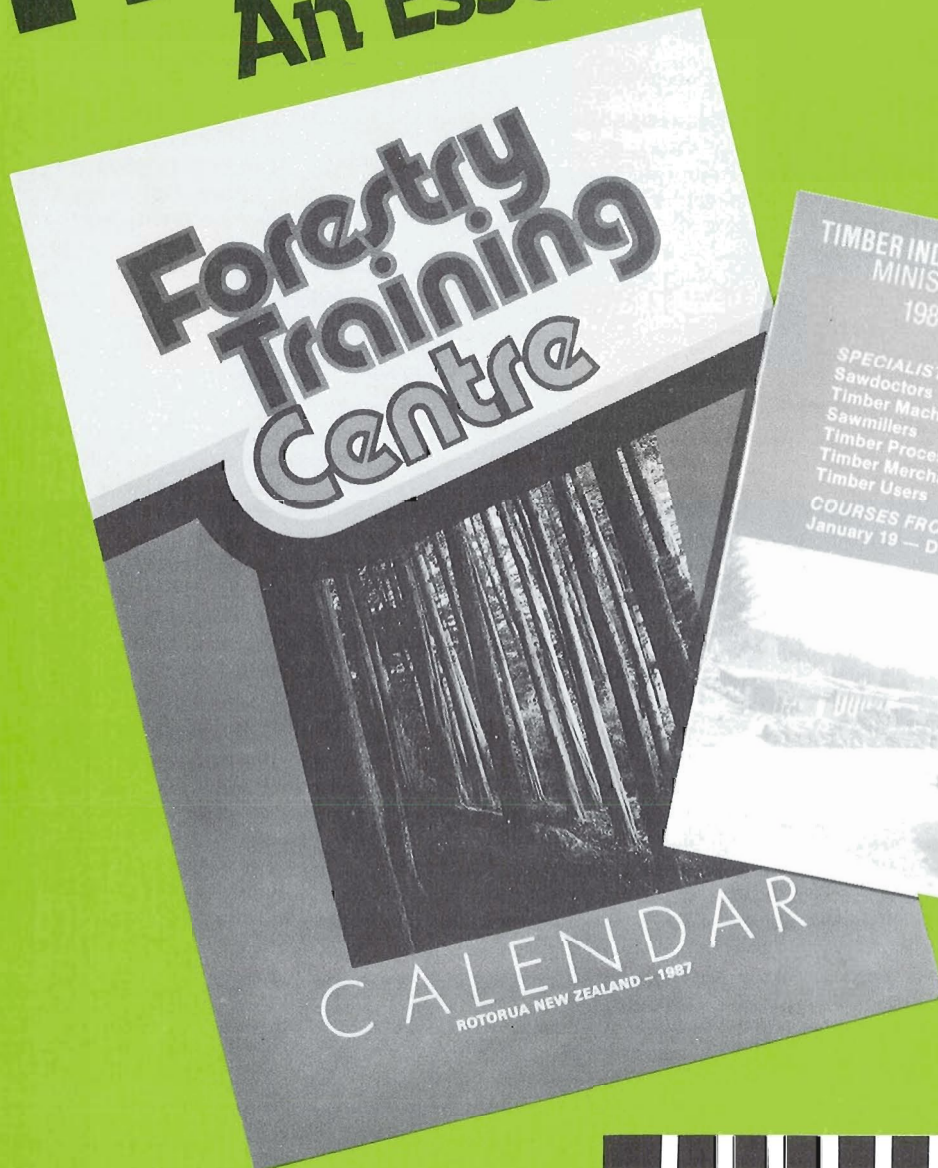
McKelvey concluded with a strong recommendation that the new department should be forest managers as well as forest preservers. He said:

"The most practicable way to rescue these forests from administrative limbo, one which would make it possible to keep both the management options open, is to give the Department of Conservation the discretionary statutory authority to manage such stands for the sustained yield of timber. Then, at any time, the Department would be able to look at environmental and economic aspects, have regard for the existing climate of informed public opinion, and adopt the best management strategy taking all these considerations into account. In this way could be introduced the important element of flexibility so necessary for effective land management. In this way also could the stated basic thrust of the Government's environmental policy — the integration of conservation and development — be truly achieved."

Two weeks later The National Business Review published a lengthy reply by Guy Salmon, entitled "*A Balance between Conservation and Production*". He started by referring to "the new and fruitful dialogue between the Treasury and the environmen-

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tal movement"; two outcomes of which, he claimed, were the dismemberment of the Forest Service and a negotiated accord on the future of West Coast native forests. McKelvey, it appeared, just did not understand what it was all about. Salmon said.

"McKelvey finds the unexpected convergence between environmental and commercially-oriented viewpoints quite disturbing. That is perhaps not surprising. The new thinking has generated reforms which greatly reduce the discretionary powers of professional foresters, especially state foresters.

"McKelvey's stated reason for his concern is that under the state sector reorganization, over-simplified objectives are being imposed on State forests. These objectives, he said, are a commercial objective in exotic forests and a preservation objective in indigenous forests.

"Unfortunately, McKelvey has not had any direct discussions about these reforms with the leading proponents of them in the Treasury and the environmental movement. As a result, he has developed an over-simplified understanding of what is happening."

Salmon went on to explain that the Forestry Corporation will not manage... exotic forests simply as wood factories since they will be subject to soil conservation, wildlife, historic places and planning legislation. He implied that recreation would be encouraged since it pays private forest owners to do so; and as an example of this he cited the fact that "even in remote Waimarino County, Winstone Afforestation has laid out picnic areas and wildlife ponds". Further it will be possible for the Corporation to carry out non-commercial operations on a contract basis. "Thus," he said, "the full range of objectives set for the old Forest Service will be catered for. The real difference is the introduction of transparency and accountability."

Salmon then accused McKelvey of further over-simplifying by seeing only the preservation objective of indigenous forests. He pointed out that in some of the legally designated preservation areas to be administered by the new department "intensive development of recreation and tourism will be required". Other areas not so designated would be held in a new legal category to be termed stewardship areas, and these would remain in their existing state for the time being, leaving options open for the future. "Statutory provision," he said, "would exist for land to be removed from stewardship either for commercial production (by another agency) or for permanent preservation."

In reply to McKelvey's plea for indigenous production forests to be managed by the department, Salmon said:

"Now, because of direct negotiations between development and environ-

mental interests, convened by environment secretary Roger Blakeley, a final resolution of the long-standing conflict over reserves in West Coast forests is in sight.

"That seems likely to provide the basis for the Corporation to favourably consider taking over the production forests as an ongoing business, based on a strategy of continuing availability of native timber, and with the support of the environmental movement.

"Whatever the Corporation may decide, a further option is now apparent. At least one private commercial organization is interested in assuming long-term management responsibility for the bulk of the State's indigenous production forests. Title would remain with the Crown, and the company is prepared to enter contractual obligations relating to replanting and sustained yield management. This is a most interesting proposition.

"By contrast, McKelvey's proposal is unacceptable because it would turn the clock back and remake the department of conservation in the image of the old Forest Service: a baronial institution with wide powers to strike whatever it considered was a wise balance between conservation and wood production.

"Environmentalists who have written thousands of futile submissions on Forest Service management plans are never again going to accept the statist model of a single-minded professional elite enshrined in a powerful bureaucracy and regarding itself as the fount of wise land use.

"The Treasury, too, is today widely supported in its view that a government department is not the right sort of institution to run a commercial business like production forestry. Under McKelvey's proposal, both conservation and commercial profitability would be the losers.

"McKelvey's last and most desperate argument is his dark suggestion that, in some neanderthal recesses of the Treasury, there may exist a proposal to liquidate the remaining indigenous production forests for short-term gain, and use the revenue to help fund the conservation department.

"This scaremongering is aimed to drive a wedge between environmental interests and the Treasury. Not too much attention need be paid to it, for if such a proposal existed, it is most unlikely to be approved."

McKelvey sought and was given the right of reply. His letter headed "*Forestry regime; Salmon protesting a bit too much*" appeared on Dec 19. Commenting on Salmon's belief that the Forestry Corporation would follow the Forest Service in practising multiple use

exotic forestry, he made these restrained comments:

"My reply is that the differences between the Forest Service and the Corporation are more of degree than of kind. Keeping to the recreational example, one accepts the assurance of the Corporation that it will let the public enjoy the recreational opportunities which exist in the forests.

"But, starting de novo, would the Corporation have developed the Hanmer and Whakarewarewa forests into the recreational gems they are? I think not. The Corporation, like other private forestry companies, is primarily commercially oriented and so is limited to the extent it can contribute to public recreation.

"In similar vein one could ask would the Corporation have developed the expertise and commitment which successfully rehabilitated the eroded land of Mangatu in eastern North Island?

"Let me add that I am all for the transparency and accountability mentioned by Salmon; indeed I never could understand why the Forest Service did not isolate its wood production costs."

Most of his letter, though, dealt with the report of the Secretary for the Environment Working Party entitled "West Coast Forests — Integrating conservation and development", a report which had not been available at the time of his original article. McKelvey welcomed the recommendations for sustained yield management over parts at least of the area, and said:

"I was pleased to find that two of its recommendations ran parallel, to a significant extent, to my suggestion.

"It envisaged the Forestry Corporation, or a private firm, undertaking the logging and management of the indigenous forests, with the conservation department monitoring and enforcing the vitally important requirement that there be a 'continuing supply of timber in perpetuity'.

"Another constraint to be monitored and enforced by the conservation department is that there be free public entry, including use of roads, into the managed forests. Statutory covenants, attached to the title of the land, would provide the necessary legal authority for the department.

"These constraints plainly mean that the department will set and enforce standards for the regeneration of the logged stands, and will also safeguard public recreation. This goes some way to achieving flexibility in management; indeed, it represents a move back towards multiple-use forestry."

However he pointed out some weaknesses in the covenant proposals, economically and legally. On economics, particularly in rela-

tionship to Westland beech, he stressed:

"If all proposed reserves and wildlife corridors are approved, wood costs will be increased substantially due to more 'dead' roading through protected forest to manage stands beyond, to longer hauls to processing centres and to more operations being pushed on to steeper terrain where expensive haulers will have to be used.

"Further, the forests on the steeper terrain contain a much higher proportion of the less valuable hard beech."

And on likely legal difficulties:

"There would appear to be legal problems in forcing the Forestry Corporation to undertake regeneration and tending work if it threatened its *raison d'être* under the state-owned enterprises legislation — the attainment of commercial profit.

"Enforcing a covenant against a private firm for such failings as inadequate stocking of regeneration, or predisposing the stands to insect attack, could also bring problems. It would be all too easy to get involved in expensive litigation without getting effective redress. The forests could well end up in a silvicultural limbo."

McKelvey then went on to say:

"To comment on the stewardship land system which Salmon advocated: the idea is that any proposals to take indigenous forest land out of the protected mode for commercial uses will require public consultation and opportunity for the public to object.

"One must accept the principle, but the methods of public consultation over forest land issues during the past decade have led usually to polarization and adversarial situations, where those who shouted loudest in concert usually carried the day.

"I fear that the preservation advocacy role of the conservation department and the stewardship land system will tend to foster polarization and turn people into adversaries."

His final comments were:

"Finally, it is not my role to defend the Forest Service against Salmon's criticism, which I consider unwarranted. Nor do I need to, for many people know of the massive contribution the Service has made to forest conservation, right from its inception some 65 years ago to the present day.

"They will know that the Westland exotic forests, which are coming on-stream now to solve the long-term timber supply problem there, were established and tended by the Forest Service as part of a deliberate, general policy to conserve indigenous forests.

"Those exotic forests, and decades of Forest Service research into beech

silviculture, made the agreement on West Coast forests possible."

In the same issue some unexpected support for McKelvey came from a well known correspondent and commentator, Eric Bennett. Under the title, "*What new and fruitful talks?*" he, wrote strongly condemning the "unholy" Treasury — environmentalists' alliance and for the first time publicized the view that the so-called accord reached in the Blakeley West Coast package was a disaster rather than a triumph for forest conservation. His comments are so relevant that they are given in full. He wrote:

"There is little common ground between the philosophy of environmentalism and that of the Treasury, and yet Guy Salmon (NBR, December 5) boasts of 'a new and fruitful dialogue with the Treasury' and lauds the Treasury and the environmental movement as 'the leading proponents' of the restructuring reforms.

"It is unlikely that history will regard these reforms as an advance in wise land management, and the alliance of environmentalism with the most materialistic department of State — largely it seems because of a phobia of another department saddled with the sins of past Governments — is an insult to deeply held beliefs.

"The Treasury and the environmental movement have decreed that there are only two fundamental categories of land — that for preservation and that for exploitation. They evidently deny the existence of a very large intervening 'conservation' category where multiple use, including production, is appropriate under controlled conditions.

"One example is the need for integration of pastoralism and protection in the South Island high country. Another is the management of the West Coast native forests (except for beech plantations).

"Salmon trumpets the unique achievement of 'direct negotiations between development and environmental interests' that led to the Blakeley West Coast package. The result of this two-category preservation/exploitation concept of land use is that the present vast overcutting ('mining') of the remaining forest will continue for at least another eight years in Karamea, another 20 years in Buller, another five years or so in North Westland and 10 years in northern South Westland.

"That the environmental movement, having thus abandoned the concept of sustained-yield management, has the gall to pillory the Forest Service smacks of dishonesty. In the face of Governments which down the years singlemindedly pursued a policy of 'orderly liquidation' of the

native forests — as a source of cheap (price-controlled) timber for housing — foresters protested continually, as history shows.

"This is not surprising for, as Salmon likes to emphasize, foresters see as one of their main functions the management of forests. Sawmillers, the environmental movement and political expediency have ensured that the indigenous forest resource, in the only region of New Zealand where the possibility of long-term management still exists outside beech and kauri plantations, will continue to be squandered."

On January 30, 1987 Salmon disengaged himself from the battle. "Peter McKelvey's gracious response," he said, "sounds some appropriate notes of caution. I have no disagreement with his comment. The test of time may well indicate the need for refinements in the new system."

Predictably he switched the attack to Eric Bennett whom he accused of "being filled with fury at the new dialogue between environmentalists, developers and the Treasury and its outcome in the recent native forestry decisions". He also switched the argument away from forests and their management to the decision-making mechanisms; the title was "*Process the Crux in new dialogue on Native Forests*".

Salmon firstly defended the environmentalists' agreement to some overcutting on the grounds that the alternative would have resulted in both redundancies and a reduction in the areas set aside in reserves and national parks. The rest of his long letter consisted in the main of a philosophical discussion on the significance of the "new" method of arriving at a consensus. He described this as "a process of direct negotiation between accountable representatives of opposing sector interests".

He said: "The Blakeley committee which negotiated the West Coast forest decisions included, besides officials, representatives of the timber industry, regional government and the conservation movement. The difference between these people and Bennett is that, as representatives, the Blakeley committee's private members were each accountable to the section of the community that they represented."

There were a few further cracks at Bennett and some unusually mild ones at foresters and bureaucrats. His final comments were:

"What is really significant about the changes in forestry administration and West Coast land use is that solutions have been found which can simultaneously improve economic performance and also enhance environmental protection. And these solutions are being broadly accepted by both environmental interests and industry groups. The process being used has a lot to do with the emergence of that acceptance, and it is an

exciting and hopeful development in New Zealand politics.”

Eric Bennett did not let Salmon's euphoric view of the Blakeley accord go unchallenged. On Feb. 20 he wrote as follows: "Replying to Guy Salmon's worst apologia (NBR, January 30). I do not support the process by which the Blakeley 'agreement' was achieved. Direct horse trading between opposing interests, with the result dependent on the relative strengths of the parties involved, is no way to arrive at sound resource allocation or any other decision. Might and wisdom are seldom synonymous, and power politics have, with good reason, always been

condemned by conservationists.

"This Government, like previous Governments, has refused to face West Coast realities but, more crafty (or cynical?) than its predecessors, it abdicated responsibility for unpopular decision making and left the warring parties to find their own solution.

"Predictably, some signatures to the final 'accord' were only obtained under threat and were repudiated immediately afterward. So much for the 'accountability' and the 'best possible consensus solutions' that so impress Salmon! What remains is a carve-up between millers and preservationists at the expense of conservation."

Unimpressed also with the *modus operandi* was Mr J.C. O'Regan of the West

Coast United Council, who wrote subsequently at some length describing "the fruits of the dialogue as it affects people," and inter alia quoting details of total and available forest areas on the Coast. Space does not permit O'Regan's full and rather bitter analysis to be summarized here. On March 6, Mr Michael de Hamel of Kaiapoi replied, pointing out with massive irrelevance that for every man, woman and child on the West Coast there are over eight hectares of production forest and no less than 35 hectares of protected forest and reserve.

Two further letters were later published.

A.P. Thomson

RECENT EVENTS

Review of 1977 Town and Country Planning Act needed, but don't throw out the baby with the bathwater

Government has appointed Mr Antony Hearn, a barrister with considerable experience in planning law, to carry out a comprehensive review of the Town and Country Planning Act (TCP Act).

Mr Hearn's brief is to establish whether any changes are needed to the Act in the interests of ensuring flexibility and speed of decision making in relation to regional and local planning. He was to present his report by April 1, 1987 to a Cabinet Subcommittee. It is likely that Mr Hearn's review will then be made available for public comment before any change is made to the Act.

In this issue readers are provided with background material which might help them if they are interested in preparing their own submissions after the Hearn report comes out.

A paper reviewing the experience of the forestry sector with town and country planning since 1977 is included. (Refer p.28 "More market; planning; forestry and farming. Antagonism or Symbiosis?" by A.D. Meister.)

A workshop on the Town and Country Planning Act review was sponsored jointly by the Ministry for the Environment and the NZ Planning Institute in Wellington on February 17 and 18, 1987. The following are some ideas relevant to forestry which came out of that seminar. They draw much from presentations made by Brent Wheeler and Bill Williams.

STRENGTHS OF THE 1977 TCP ACT

The average NZIF member probably has the impression that the 1977 TCP Act has been an unmitigated disaster impeding forestry development in regions like the King Country and Marlborough, Waiapu, Wairoa,

Hobson, Clutha and Cook counties, and does not appreciate the many strengths of the Act which include the following:

- (a) The planning system is evolving by case law.
- (b) The Act is permissive, in the sense that it does not direct specific land use to specific locations.
- (c) It caters for an independent appeal tribunal which is beyond political interference.
- (d) The open Government associated with the Act discourages corruption.
- (e) There is wide opportunity for public participation.
- (f) It makes planning a mandatory regional function.
- (g) It expresses the community position on development.

(h) It provides a facility for managing change.

(i) It provides a mechanism for exposing and resolving conflict.

(j) Property rights are extensive.

WEAKNESSES OF THE 1977 TCP ACT

Knowledgeable planners agree that the Act has shortcomings. Some of them were expected from the outset, e.g. you can not have rapid processing of district schemes and have full democratic participation. Allowing for this, and problems associated with the Act's shake-down over the last decade, ongoing weaknesses can be identified. They are:

- (1) The process can be unduly protracted and expensive.

