

FORESTRY ELECTION MANIFESTOS

At the time of going to press, National's forest policy had been released in full, but Labour's was yet to be issued. Labour, however, agreed to give advance information on some key forest policy items especially for NZ Forestry.

We summarise here some of the main features of the two major parties' policies. (When we decided not to extend coverage beyond that, our decision was based on shortage of time, the availability of space, and political reality.)

Ministry of Forestry

Labour

"The Ministry is doing a superb job and this Government will continue to give it the backing it deserves . . . is a well-run organisation, staffed by competent and capable employees and the Minister and Associate Minister are very pleased with the service it provides to Government and to its clients."

National

"The increasing significance of forestry for New Zealand's future requires the Government to receive professional and soundly based independent advice. The Ministry of Forestry will continue as a free-standing Department of State.

"Its principal responsibilities will be in the areas of policy advice to Government, regulations, statistics, forest health, fire prevention, research and administration of forest licences and leases."

Forestry Taxation

Labour

"This Government will continue with the present taxation regime that is currently in place and will work with the sector to instil confidence and to allay any misconceptions about this taxation system."

National

"The Forestry industry must be treated similarly to other agricultural industries from a taxation point of view. The cost-

of-bush formula will be abolished; costs of trees, planting, tending and maintenance will be deductible as incurred. Initial purchase and development of the land prior to planting will be capitalised and treated as it would be under normal tax rules.

"There will be no deductibility for any expenditure relating to clearing cut over or significantly reverted marginal land. All other expenses will be treated as they would be under the normal rules."

Forest Research Institute

Labour

"The Forest Research Institute is an organisation of national and international renown and reputation and is thriving under partial commercialisation. Government will continue to foster and develop its partnership in forestry science with industry and those boards that have already been established to achieve this objective are performing exceptionally well.

"Until such time as a decision is made on the structure and commercial powers of all science agencies, the Government will continue to support and promote the Forest Research Institute."

National

"We recognise the tremendous contribution of the Forest Research Institute. National will ensure that the Forest Research Institute is maintained as a centre of excellence in forest research in New Zealand. We accept that the Government has the principal role for funding strategic non-commercial research directed in consultation with industry."

Sale of State Forests

Labour

"Labour will continue to actively encourage the new owners of the Crown's exotic commercial plantations. The sale of cutting rights will enable the private sector to achieve security of supply of raw material and thus have the confidence to plan and put in place the required investment needed over the next 25 years to maximise the value of our radiata pine plantations to the New Zealand economy."

National

National will require all Crown forests to be replanted "unless the Government is satisfied that a particular area can be converted to some other sustainable land use".

"Proposals for the sale of unsold forests will be developed and considered in parallel with proposals for utilisation at the appropriate time, having regard to



Doug Kidd, Opposition spokesman on Forestry.

the maturity of the forests. Better arrangements will be made to give smaller processors realistic access to wood supplies."

Processing

Labour

"The New Zealand forest industry has the potential to produce one-third of New Zealand's export income and to generate thousands of jobs."

National

"Where practicable, we will require major areas of former State forest sold before it takes office to be processed in New Zealand. While log exports have an ongoing place in the overall forest products export marketing mix, National will not accept New Zealand becoming a raw material colony for industrial nations."

Indigenous Forests

Both major parties have a policy of managing indigenous forests for conservation values, with extraction allowed only on a sustainable basis to maintain the areas in indigenous forest in perpetuity.

Both parties will honour the West Coast Accord which sets aside 77,000 hectares of Westland beech forest for management on a sustainable yield basis.

National's policy is that indigenous forest "will be administered by the Ministry of Forestry in conjunction with the Department of Conservation."

Competitive Environment

National will review depreciation rates; review the international tax regime; change the tax regime to one "that treats the sale of immature standing timber as a sale at the value of the timber at the time the sale occurs. The purchaser will be allowed a deduction of equal value at the time of purchase. The final value of extracted timber will be treated as income to the seller with appropriate spreading rules."

(Prepared by Colin Bassett)



Jim Sutton, Minister of Forestry.