

# Prospects for New Zealand forestry

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It is an exciting time to be associated with forestry both within New Zealand and globally.

On the home front there is an increasing expectation for our forestry sector to emerge as the key component of a growth strategy for economic recovery. Meanwhile globally we see mounting pressure to conserve the intrinsic and broader environmental values of uncut natural forests and to ensure that all harvesting of wood is undertaken on a sustainable yield basis.

With our high proportion of mature exotic plantation forests we are well positioned to achieve substantial gains but these potential benefits will only be realised if we have an economic and social infrastructure that provides continued international competitiveness.

This must include the following.

1. An attractive investment environment for planting and processing.
2. Predictable input costs through sustained low inflation.
3. An efficient transport sector including the waterfront and shipping.

4. A skilled and motivated workforce (including management).

5. Well co-ordinated and disciplined marketing strategies.

Throughout my term in Parliament (1984-1990) I was a strong advocate for the sale of the State's wood resources to the private sector. This was not always a popular view to hold and while the transfer process caused much uncertainty and hardship during the transition phases I am convinced that it will prove to be the precursor for new investment and confidence through the 1990s, and beyond.

I consider mandatory replanting clauses for plantation forestry to be a superficial nonsense. Forest owners and managers will willingly replant provided the long-term outlook is reasonable, because that is their business. If the outlook is not reasonable then surely it is unwise to enforce uneconomic plantings. Equally we do not want the forestry sector to suffer the distortions of incentive-driven rather than market-led production, which have characterised

and plagued other land-based industries in this country.

Balanced environmental perspectives will be important for forestry in the years ahead. The past conflicts between natural indigenous and commercial forestry are now largely resolved in this country but our dependence upon chemical treatment will undoubtedly provide ongoing debate.

Perhaps the greatest challenge arises from the organisational structures within the forest sector and the various inter-relationships between the component bodies. Few would advocate a forestry producer board or single-desk marketing authority for all wood products but equally few would herald the existing disparate structure as ideal.

The time is ripe for the sector to develop the necessary co-ordination itself and not look to Government to provide the answers. Surely any imposed structure that does not enjoy universal support is unlikely to succeed.

Forestry can deliver substantial benefits for New Zealand and it behoves us all to help optimise those gains.

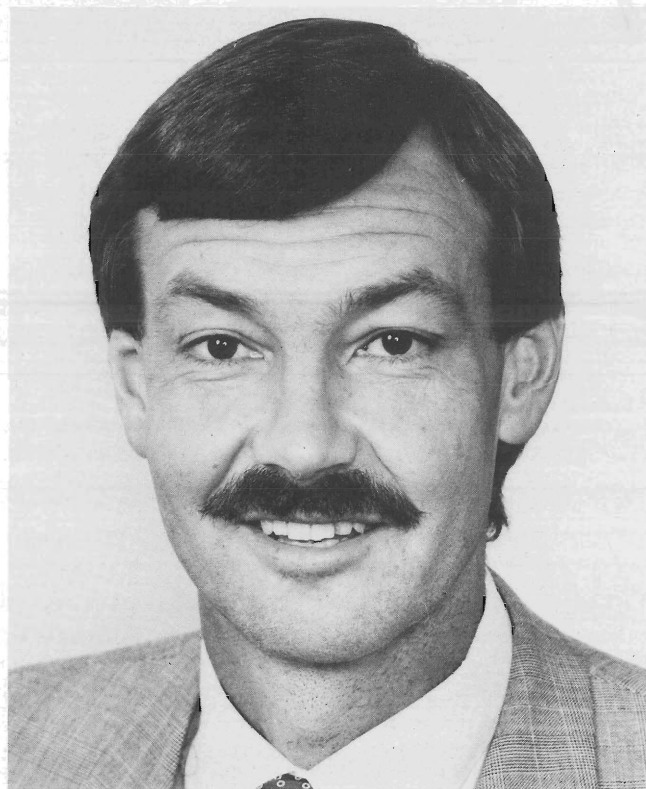
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**Ken Shirley**, who prior to November 1990 was Under Secretary for Forestry in the Labour Government.