

Foresters and Sawmillers

The proposal that there be a formal legal framework to require forest owners to market logs and other forest produce for some non-market priority, perceived by central government to be in the public interest, appears to be directly against the philosophies that are emerging in many partially regulated economies. Apart from the changes occurring in Eastern Europe and Russia, there is in both Scandinavia and USA an increasing tide of concern that many of the demands of the conservation and like organisations are unacceptable burdens on the public purse and in many cases these are seen as either ill-conceived, or not necessary. The evidence of mis-use of resources is sometimes inadequate or even contradictory and Governments are uncomfortable with the costs of regulatory policies when benefits are not proven by reasonably precise data.

It is now 90 years since Sweden enacted silvicultural legislation requiring compulsory restocking of forests after clearfelling. Subsequent additional legislation laid down relatively inelastic rules regarding age of felling, coupe size, thinning and species selection. Now the Swedish Parliament sees this as outmoded and would not require control of felling age, size of coupe, thinning at prescribed stages in forest development. Of most significance they would remove the subsidies for silviculture and other forest work. There would still remain, however, a concern for environmental and biodiversity issues as well as a commitment to restocking felled forest.

This concern and ability of industry to accept governmental direction on forest management in this respect is an aspect of the richer G7 economies of West Europe, Japan and, to a lesser extent and more recently, USA and Canada. Market forces alone are seen as inadequate to achieve social goals which benefit the whole community. However, many of these rich states have until now been able to afford to buy wood from the rest of the world and avoid or reduce the cost to the community of high wood cost from domestic forest production. Japan, with 12.3 million hectares of planted forest, has sought to put off the day of dependence on high cost domestic wood. This day is now getting closer and the Japanese wood-dependent industry knows it is impractical to maintain practices that depend on low wood cost for survival. We will see prices of logs processed in Japan rise to the level dictated by the real cost of Japan's domestic log production. Similarly, in USA and Canada, silvicultural neglect of the second generation of forests will require wood for industrial use to reflect higher cost of delivered wood to plants.



Peter Olsen

New Zealand must accept this wood price rise principle but not at the behest of untrammelled market forces. Foresters can and should take a longer view of the selling of wood in a manner which allows

the domestic wood converter to adapt to greater technological awareness while seeking out more lucrative market niches. We should have sufficient faith in the success of this process to ensure stable wood supply is available. Abuse of this trust by industry, as has happened with indigenous milling, will result in removal of supply and enterprises would collapse with loss to both the forest owner and the larger community.

The recent seminar in Wellington organised by the Commonwealth Forestry Association and NZIF gave this issue some airing. It reinforced the perception that foresters do accept the responsibility of maintaining sustainable felling at the level that benefits the long-run interests of company shareholders. They of course will be required to accept the dictates of company management who run the risk of political intervention if the long-run public benefit is ignored.

P.F. Olsen
President

Recent changes and developments in government science system and implications for forestry science

Introduction

Two 1992 developments in the government-funded science system will have substantial influence on forestry and forest products research. In October 1992 the Government announced its science priorities for the \$232 million Public Good Science Fund (PGSF). This fund supports more than 60% of the total effort in forestry and forest products research in New Zealand. Two months later the Government announced a transfer of resources and functions from the Ministry of Research, Science and Technology (MORST) to the Foundation for Research, Science and Technology (FRST). The details of these developments and their implications for forestry and forest products research are summarised.

Science Priorities for the PGSF

A comprehensive priority-setting process for the PGSF initiated in January 1992, culminated in the release of a Government paper outlining the science priorities for the PGSF entitled "Investing in science for our future". The paper indicated that, among the funding decisions made for the

period 1992/93 to 1997/98, the PGSF funds available for supporting research in Output 9 (Plantation forestry) and Output 15 (Wood and paper processing) would increase from \$17 million in 92/93 to \$19.7 million in 97/98. The paper also indicated that funding would decrease for plantation forestry research by 10% (\$10.2 million in 92/93 to \$9.2 million in 97/98) but in wood and paper processing research, funding would rise by 56% (\$6.7 million in 92/93 to \$10.5 million in 97/98). These funding shifts reflected the Government's strong support for research that relates to adding value and a general shift in support away from primary production research into secondary production and processing. Funding for research on the ecological and environmental aspects of forestry associated with Outputs 29 (Environmental protection) and Output 31 (Land use, flora and fauna) will probably not change very much over the five years to 97/98 although this is difficult to judge because these outputs cover a wide range of ecological and environmental areas only some of which relate to forestry.

Transfer of resources and functions from MORST to FRST

In December 1992 the Government announced that the science review responsibility of MORST would transfer to FRST. FRST was also provided with the responsibility to develop strategies to implement the Government's science priorities. To enable FRST to undertake these new responsibilities, the organisation was provided with additional funding of more than \$1 million. The changes have been accompanied by the cessation of the indepth science review programme after completion or near completion of 10 science reviews.

Implications for forestry and forest products research

The NZIF considers that the results of the Government's science priority setting exercise and the transfer of responsibilities to FRST could have both positive and negative influences on future forestry

research. On the positive side, the decision to increase the PGSF funding for forest products and processing research should enable an enhanced research effort aimed at developing new and improved "clean" and efficient processing technologies and the development of new innovative value-added wood-based products for export markets. Both the NZIF and the forest industry generally strongly support this science priority direction. However, just how beneficial the funding shift will be to the profitability and vitality of the forestry sector and to the national economy will depend partly on the strategy for forestry and wood processing research currently being developed by FRST.

The decision to provide FRST with additional science policy responsibilities appears to somewhat blur the separation of policy formulation and funding allocation that underpinned the setting up of MORST to develop science policy and a

separate FRST to allocate PGSF to research providers. Furthermore, the Foundation is now in a very powerful position with the ability to set priorities and strategies and allocate funding accordingly. In developing a major research strategy for forestry and forest processing research it is vital that FRST consults widely with the forestry sector to ensure that the strategy and the detailed priorities that may be embodied in the strategy reflect the real research needs of the sector and not just the views of FRST and possibly a few advisers.

NZIF's comments and concerns about the recent changes in the Government science system have been included in a letter from the President of NZIF to the Minister of Science.

Colin O'Loughlin
Convenor
Science Working Group

Thomas Kirk Award – Peter Smail

Peter Smail was awarded the Thomas Kirk Award in 1992 in recognition of his outstanding contribution in the field of forestry in New Zealand. He will be presented with the Award at the 1993 Napier Conference. Peter is a Fellow of the Institute and has been a member since 1974. He was made an Honorary member in 1980 because of his tireless efforts on behalf of both plantation forestry and farm forestry in New Zealand. He is also a founding member and Past President of the NZ Farm Forestry Association, and is

currently an Honorary Life Member of that organisation.

On leaving Christ's College, Peter worked on farms for a few years before serving in Italy during the latter stages of the second world war. After the war, he became a farm manager until he acquired his own farm, Lynton, at Hororata in 1952. Over the next 40 years he transformed this farm of 573 ha of undeveloped light stony soil into one of the most productive in the region, and the lambs and wool he produced regularly topped

the market. A vital component of this transformation was the use of trees for both shelter and timber production in an area where low rainfall and strong dry winds are the norm.

In the early years, Peter had many battles with conservative farm advisers, forestry advisers and catchment board officials, but his innate good sense based on observation and experimentation won through, and he quickly became recognised for his expertise on shelter and farm forestry on the Canterbury plains. As a result, his advice has been keenly sought after by a number of organisations, including:

- Selwyn Plantation Board, member of 16 years, the latter five as Chairman;
- National Shelter Working Party, foundation member;
- Afforestation Working Party of the Forestry Council, member in 1974-75
- Orton Bradley Park Board, board member of 13 years;
- Mackenzie Charitable Foundation, farm shelter adviser.

In addition, Peter has published a number of papers on shelter and farm forestry, and has very actively participated in innumerable seminars on these topics organised by a wide range of organisations, both in New Zealand and overseas. His farm has been host to dozens of field days annually, including parties of students from both Canterbury and Lincoln Universities, and forestry groups from Australia, Canada, United States, Sweden, China and Japan as well as international



Peter Smail addressing the joint Australia and New Zealand Institute members, October 1991.