# Gisborne/East Coast Field Research on Attitudes to Land Use Change: An Analysis of Impediments to Forest Sector Development

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# **Preface**

Changes in land use in New Zealand can affect regional communities in many ways especially when there is a major shift from farming to forestry. Communities may respond to land use changes in various way, including acceptance or rejection of the changes. Therefore, an understanding of the attitudes and characteristics of community members is important if there is a need to encourage acceptance of change and to manage it in ways that benefit the community as whole. The research reported here was conducted by ethnographic methods in the Gisborne and East Coast region of New Zealand from May to September 2000. The findings are representative of this particular region's attitudes and characteristics as it adapts to the changes. Results will interest decision makers within central and local governments, and the forestry industries, particularly those representing the Gisborne and East Coast region, who want to better understand how they can encourage a community to benefit from and therefore support land use changes.

Ross Cullen Director



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We would like to thank all the people in the Gisborne and East Coast communities that participated in the research. This includes people with a wide range of interests, from forestry company representatives to high school students. Many people offered their views on how they felt about forestry in the region. Others provided assistance indirectly by way of casual interactions with the field researcher. The team at Gisborne District Council's Economic Development Unit provided useful contacts. There were many people that became key information sources, who gave of their time and knowledge, and welcomed the field researcher. We thank these people for their support.



# **Summary**

## Gisborne/East Coast Field Research on Attitudes to Land Use Change: An Analysis of Impediments to Forest Sector Development

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#### **Conclusions:**

- The community recognises multiple impediments to the developing forestry industry in Gisborne and the East Coast.
- Key development issues include: the region's capacity to adapt to forestry growth; the nature of industry organisation; the level of community participation in development; the image of forestry; and contract and employment conditions.
- Improved industry and community participation, greater community education, and improved contracts are recommended.

#### **Background and Rationale:**

- Gisborne and the East Coast have been experiencing growth in forestry in recent years and infrastructure and employment issues appear to be hindering development.
- There is a need for detailed, documented understanding of community attitudes to forest sector development

#### Research Objectives.

- The main objective of the field study was to record the Gisborne and East Coast communities' attitudes to change in land use from farming to forestry.
- A minor objective was to develop an understanding of reasons for and against participating in forestry.

#### **Methods:**

- The main method used was a five month ethnographic study, incorporating formal and informal interviews, participant observation and document reviews.
- One hundred and nine participants contributed to the study.
- Many other people provided important information via informal conversations in the field.

#### **Results:**

- The community acknowledges infrastructure concerns, social and economic impacts on rural and urban communities, and environmental issues as impediments to forestry development.
- The political tensions within and between local forestry sector stakeholders and external interests appear to limit the effectiveness of forest sector development in the region.
- There is a lack of support for, and confidence in, forestry by those people with a low level of influence in the decision-making processes.
- The lack of a capable and willing forestry workforce in the region is a major impediment and the research identified over 20 reasons that may influence a person's decision to participate in forestry.
- Overall, many in the community question the region's capacity to adapt to forestry.
- Other impediments include the low level of community participation in development; the poor image of forestry for many in the community; and the nature of employment conditions as determined by the contracting system.
- Recommendations include improved industry and community participation, education regarding the positive benefits of forestry, and improved contracts.



# Chapter 1 Introduction: Background, Objectives and Methods

#### 1.1 Introduction

As a component of research into 'Socio-economic Adaptations to Emerging Markets', an ethnographic field study into community attitudes to change in land use from farming to forestry has been undertaken. This study was conducted in the Gisborne and East Coast region of New Zealand from early May until late September 2000. During this study there was exposure to the multiple issues and opinions that surround forest sector development in the area. There is a very high recognition of the role of forestry as a growing industry in the region. However, the community as a whole does not uniformly support forest sector development.

The focus of this report is on impediments to forest sector development. These include widely held beliefs from within the region that the community, workforce, infrastructures and land may not be able to fully support or benefit from the predicted industry growth.

#### 1.2 Background

Gisborne and the East Coast are becoming accustomed to the presence of forestry. The development of forestry in the Gisborne and East Coast arose during the 1960s as part of New Zealand's second forestry planting boom. The inclusion of the region in this boom has been attributed to erosion control issues and employment problems at the time. difference between New Zealand's first and second forestry planting booms was that the first occurred in areas such as Otago, Southland, the Central North Island and Nelson, which had strong forestry histories. These areas had experienced plantation forestry since the 1890s and had backgrounds in logging and sawmill operations. The second planting boom areas, which included the southern North Island, the East Coast, and Northland, did not have that history of forestry. The regions new to forestry developed issues not encountered previously: They did not have the associated infrastructures and the communities were not used to forestry work and the associated activities. For Gisborne and the East Coast these problems have become prominent as the forestry industry has gradually developed in the region. This occurred through the continued management of the forests by the New Zealand Forest Service (NZFS) until the late 1980s, and into the new era of privatisation that emerged during the 1990s.

Economic and environmental factors have created the underlying need for land use change. Much of change in land use from farming to forestry in Gisborne and the East Coast has been attributed to the "general decline in the profitability of sheep and cattle farming rather than the switch to forestry" (The Herald, June 4 1997). Substitute employment industries are required, as other major employers disappeared during the 1990s. The people in the region have experienced the 1994 closure of the Weddel meat processing plant, the 1996 closure of the Cedenco tomato processing plant and the closure of the Heinz-Watties processing operation later in the 1990s. For many people, forestry is "the solution" to the region's unemployment problems. The following quote from a Gisborne person is representative of statements from people throughout the region.

From an employment point of view, it was always being seen that forestry was going to be the saviour from the unemployment problems that this region has been suffering for years.

International interests in forestry are common in the region with several companies investing in forest plantations. Four of the key forestry interests in the region are either internationally

owned or have international investors. Log volumes are forecast to triple in the next 15 years. To date, however, only one company has built a processing facility in the region.

In August 2000, at a seminar hosted by the East Coast Forestry Industry Group, Gisborne Mayor, John Clarke, opened the discussion by briefly asking whether forestry was an asset or a liability for the region. He highlighted obvious liabilities from the community perspective, including logging trucks, a high degree of rural social dislocation, and the "devouring" of good pastoral land. He then emphasised that forestry was happening and that it needed to be grasped as an asset for the region. An increase in value added processing occurring in the region is a priority. The Mayor called for the collective responsibility of the community and forestry industry to ensure international owners are convinced that processing can occur in Gisborne and the East Coast. In later presentations at the same seminar, forest industry representatives talked about the issues they saw as impeding forest sector development. These issues included infrastructure concerns, the shortage of skilled workers and the environmental policy concerns. This report analyses the community perceptions of these issues.

## 1.3 Research Objectives

The main objective of the research was to describe in detail the Gisborne and East Coast communities' attitudes to change in land use from farming to forestry. The nature of the study and the breadth of information and views offered by participants ensured that attitudes were wide ranging. The following report discusses the main attitudes and views being experienced within the Gisborne and East Coast communities. It reports on the values of people with varying involvement in land use development and community decision making. Inconsistencies and tensions are noted.

A minor objective was to examine what is impeding forest sector development, with a particular focus on individuals' reasons for participating or not participating in the forestry industry and the associated phases of production. This aim particularly addressed the 15 to 30 year age group and their views on forestry work.

One limitation of this study was the difficulty of gaining access to a key group of non-participants in forestry, that is, the young unemployed. Further, opportunities to investigate the views of manual workers in forestry arose late in the project. The views of these two groups are important for future investigations. There was an enthusiasm amongst workers consulted about participating in the research, as they expressed interest in being studied.

#### 1.4 Methods

The primary research method for this research project was ethnographic. Ethnography is based upon qualitative field studies (Lofland and Lofland, 1995:1), whose structure and principles are derived from anthropology (Sarantakos, 1993: 264). Ethnographic research features "direct, qualitative observation of natural situations or settings using, mainly, the techniques of participant observation or intensive interviewing, or both." (Lofland & Lofland, 1995: 1).

An ethnographer participates, overtly and covertly, in the daily functioning of a community. The researcher watches what happens, listens to what is said and asks questions. Their aim is to collect whatever data is available that may enlighten the issues with which they are concerned (Hammersley & Atkinson, 1983: 2). The attempt is to collect "rich data" over an extended period of time. This is achieved through direct contact with, and involvement in, a social setting or circumstance (Lofland & Lofland, 1995: 3).

An ethnographer requires a range of personal skills, including being able to ask relevant questions; being a good listener; being adaptive and flexible; having a firm grasp of the issues being studied; and, being unbiased by preconceived notions (Yin, 1984: 63). Once in the field the researcher needs to learn the ropes, develop rapport with members, adopt a role in the setting and maintain social relationships (Neuman, 1997: 353). These personal skills are realised in the main tasks of a comprehensive ethnographic fieldstudy. These tasks incorporate: *gathering*, that is, collecting or assembling data; *focusing*, that is, asking social scientific questions about these data, and; *analysing*, that is, developing and presenting a social science analysis of the data (Lofland & Lofland, 1995: 1).

To address the research objectives of this study an ethnographic researcher from the Agribusiness and Economic Research Unit (AERU) at Lincoln University was based in Gisborne from early May to September 2000. The field researcher was permanently based in Gisborne, except for occasional excursions up the East Coast to Tologa Bay, Tokomaru Bay and Ruatoria. The field researcher interacted with the people of the community, talked to them, observed what was happening in the community, and undertook interviews where relevant. The methods in this approach were in line with the objectives of the research to discover the attitudes and characteristics of the community in relation to changes from farming to forestry.

The first task for the field researcher was to get establish in the community, that is, to find private accommodation and get a feel for the pulse of the community. The field researcher was able to obtain use of a private residency very early on and this facilitated the focus on the primary research task. Having a personal local phone number and address in the region were definite advantages in being part of the Gisborne community.

The use of a car enabled the field researcher to explore Gisborne, its surrounds and the lower East Coast in the first couple of weeks in the field. This exploration and familiarisation was essential, as people would often talk about locations and landscapes assuming the field researcher had local knowledge. This assisted in understanding how forestry was developing the region.

During the period of research, a database of 239 names was established. The database contained names of Gisborne District Council employees and representatives, local business people, farmers, foresters, recognised opinion leaders, iwi representatives, environmental interests, training providers, government departments employees and general community members. The names were collected through formal and informal sources, for example internal organisation directory listings, snowball sampling, local media profiles and personal social contacts.

Personal contact was made with 109 people in the database across varying interest groups. These interests groups were categorised as business, central government, community, council, cultural, education, employment, environment, forestry, health and rural. Table 1 provides a breakdown of the various recorded contacts made between the field researcher and field participants. The table shows the interest groups of the people recorded, what part of the region they were from, and the research method associated with the contact. The data shows that from the 109 people contacted, 52 were formally interviewed. The formal interviews were either part of a Q-sort study (Swaffield, et al., 2000), separate to, but supportive of this research project, and formal semi-structured interviews. Nine of the interviewees were involved in both the formal interviews and the Q-sort research. These nine people provided rich information.

Fifty seven of the information connections were casual exchanges of information. These were exchanges such as, telephone conversations, impromptu and informal meetings and topical conversations in other environments.

These numbers are not representative of the total number of people from whom research data were gathered. A large proportion of information came from informal talk. Examples include informal conversations with taxi drivers, shop assistants and other service providers, friends, church members, and other personal social connections. Not all informal exchanges were recorded, though it is fair to suggest much information, and associated fine-tuning of understandings, came from them. The life of the field researcher was not an eight hour a day, five day a week, exercise. The field researcher was often collecting data in social settings, late at night and in the weekends.

Many informants in the field were forthcoming with information about forestry and related issues. On numerous occasions the field researcher was contacted by people willing to give their views, or encountered people very open with their opinions about forestry without much prompting. Two features are associated with the ease of collecting field data. First, forestry is a popular topic in the region. The local newspaper contains articles, features or job vacancies most days. Almost everybody appears to know somebody involved in, or affected by, forestry, or have seen for themselves the changing landscapes and industry infrastructure, such as, logging trucks and logs in storage at the port. The high profile means that there are large numbers views on whether forestry is good or bad for the region. Second, the field researcher was easily accessible and fortuitously made good contacts at an early stage of the research process. Instrumental in the field researcher's immersion into the community and the issues surrounding the forestry growth, was involvement in the Q-Sort interviews (Swaffield, et al., 2000). These interviews opened doors to many key informants. They also provided a sense of legitimacy for being in the field. Other personal contacts, including involvement in a local church, introductions by personal friends to people working in forestry in the region, striking conversations with people 'in the street' and frequenting local cafés, enabled the field researcher and his research objectives to become familiar to a wide representation of community members. From these relationships many other research leads were established.

The level of information obtained from the different sources in the field varied. There were some key informants with whom the field researcher maintained ongoing relationships throughout his time in the field. Three informants stand out. One was a skilled local forester with regional knowledge of forestry development, the key players, the major issues and what had proved successful and unsuccessful in the past. Another key informant was a male with experience of working in silviculture work, with close ties to the Maori communities in Gisborne and the East Coast. He helped the field researcher understand what forestry meant for the workers and their families. The other key source was not forestry minded, but

Table 1: Breakdown of Field Contacts by Contact Type, Location and Research Method

	Business	Central Govt.	Comm- unity	Council	Cultural	Educ- ation
Location						
Gisborne	14	2	11	9	1	11
East Coast	8		5		1	
Rural Gisborne				1		
Other						1
TOTAL	22	2	16	10	2	12
Method						
Q-Sort	7	1	3	5		1
Interview	1	1	4	2	1	5
Casual	14		9	3	1	6
TOTAL	22	2	16	10	2	12

	Employ- ment	Environ- ment	Forestry	Health	Rural	TOTAL
Location						
Gisborne	5	1	20	3	4	<i>81</i>
East Coast			5		4	23
Rural Gisborne		1		2	4	
Other						1
TOTAL	5	1	26	3	10	109
Method						
Q-Sort	1	1	5		1	25
Interview	2		9		2	27
Casual	2		12	3	7	57
TOTAL	5	1	26	3	10	109

knew Gisborne and many of the local people. All three key informants offered suggestions on potential community contacts and advice on the general welfare of the broader community. These people are not directly quoted, as no formal interviews eventuated. Their input, however, on the data collection and analysis was influential.

As mentioned, the field researcher had access to a car while in the field. This facilitated visits to people and places all around the region for interviews and site visits. Most of the formal interviewing was conducted at the work places or private homes of the interviewees. Many of these were in Gisborne, though 15 formal interviews were conducted either in the rural area surrounding Gisborne, or on the East Coast at Tologa Bay, Tokomaru Bay and Ruatoria. Two Q-sorts and one semi-structured interview were conducted at the field researcher's residence and one semi-structured interview took place in a Gisborne café. The field researcher visited a variety of field locations and used various data collection methods. For example, the field researcher was able to:

• Witness a cable logging operation in action. This came about from a self-invitation to a presentation by the East Coast Forestry Interest Group.

- Visit a silviculture gang at work and was able to chat with a group of workers about their view on the work. He also gained first-hand experience of the terrain and weather conditions endured in the forests.
- Conduct a small non-random survey of students at the local boys high and attempted to generate further discussion.
- Visit all the Gisborne high schools.
- Visit East Coast communities including Tologa Bay, Tokomaru Bay and Ruatoria. Here he spoke to a variety of people and drove through ex-farmland now converted to forestry.
- Visit farms around Gisborne and on the East Coast with forestry blocks as neighbours.
- Attend separate local meetings discussing forestry development and community development.
- Visited many of the businesses in the Gisborne central business district and engaged whoever was willing in conversations on their business, forestry and the region.

These experiences added substance to many of the themes that were emerging in conversations. They also represent the diverse nature of ethnographic research and the divergent methods used and environments encountered.

Another key feature in the success of the ethnographic research was the time spent in the field. In the five months the field researcher was able to establish relationships and contacts that could not have been obtained over a shorter time frame. In some key instances the field researcher lost contact with people at an early stage, though by being in the field permanently enabled contact to reoccur at a later date. Further, some opportunities, such as visiting the silviculture crew, took time to be realised.

Research data was collected almost daily. The common source of recording data was through a research journal. The research journal was a written account of the field researcher's observations in the field. This included recollections of conversations, observations of what was seen or heard that related to the research topic, and development of theories. The main journal was kept in electronic format on a laptop computer. A field notebook was with the field researcher most times, in which were written notes from interviews and on-the-spot observations that required instant recording to retain data richness. The notebook was used as a reminder of issues when the research journal was being typed. The research journal was initially typed every day, though as time in the field progressed, and the field researcher became more familiar with the issues and emergent themes, the frequency and comprehensiveness of journal entries decreased.

Formal interviews were tape recorded or notes were hand-written, or both. For all formal interviews electronic transcriptions were typed. Where there were only hand written notes, the field researcher typed the notes into a journal type dialogue. All tape-recorded interviews were transcribed. The first six recorded interviews were transcribed in their entirety, whereas only relevant dialogue was transcribed in later interviews. This change in transcribing policy developed as a time saving measure for the field researcher.

Many of the initial emerging themes were realised during the journal writing and interview transcribing. The field researcher developed these themes in his research journal, and through conversations with supervisors and field contacts. The first formal establishment of emergent themes occurred in an interim report written after six weeks in the field. This was the field researchers first attempt at focusing the gathered data. This exercise assisted in focusing the field researcher on new research questions and areas where gaps in the research at that date were obvious. The future process of gathering data became more focused from this point onwards and enabled analysis to develop while collecting data in the field.

Throughout the report quotes from the recorded interviews are provided to support the themes that emerged from the analysis of data. Many situations, however, from which research data was obtained, were not formally recorded. Where possible, rigorous field observations, as recorded in the research journal, are documented. In many cases the information is based on informal interactions and multiple observations heard or seen in the field. Not all information presented in this report, therefore, can be supported by quotes.

It is important to clarify the approach taken with regard to Maori views. Maori culture is clearly central to Gisborne and the East Coast region, as Maori communities are both heavily involved in forestry, and strongly affected by its development. In another part of the overall Forest Research Programme, led by an experienced Maori researcher, views of Maori were explicitly sought, and will be reported elsewhere. A preliminary scoping of some Ngati Porou views has also been undertaken in preparation for further consultation and expression of Maori perspectives. In this report, the views of a range of Maori have been incorporated, but the emphasis has been upon their experiences arising from involvement in the forest sector, rather than a representation of iwi interests. These views are therefore not reported separately, but are integrated into the overall report.

#### 1.5 Report Outline

This report documents attitudes of people. The opinions are varied and represent a broad sampling of the population of Gisborne and the East Coast. There are gaps in the information provided, as several individual in-depth research projects would be required to tease out the many subtle considerations in the change in land use in the region. The report, however, covers the majority of considerations facing the area as it moves forward as a forestry region. The discussion has been divided into three chapters with a fourth chapter to outline the analysis of the findings.

Chapter 2 outlines the key impediments and consequences of forestry on the region as relayed by community and industry members, and as witnessed by the field researcher. These impediments and consequences are categorised under headings of infrastructure, social, economic, and environmental considerations. For each, perceptions of the effects of forestry development, and of impediments to development are discussed.

Chapter 3 continues the impediments and consequences theme to discuss the political factor. The discussion centres on the varying level and locations of social and industry tensions as perceived by the community and industry members. The tensions are divided into two groups. First, consideration is given to the industry tensions that arise amongst the generic stakeholders in forestry. These are the forestry companies and managers, the contractors, the forest workers, with a final connection the families of forest workers. This discussion highlights tensions that stem from the business and contract approach adopted by companies and managers which are viewed by many as having unfavourable consequences, especially for participation rates by workers and their families. Second, the discussion considers the external stakeholders. Central to this section of the discussion is the Gisborne District Council. The Council faces the considerable task of balancing the needs of the community with the demands of forestry development. Other external stakeholders discussed include local farmers, contractors and labourers from outside the region, central government agencies, and the general public.

Chapter 4 focuses on an impediment that is an outcome of a combination of factors affecting forestry, that is, the issue of low local participation in forestry. The region has a problem in attracting workers to forest work. This chapter outlines the potential labour force capacity

issues faced by the forestry industry. It summarises the various views provided by non-forestry related community members, contractors, forest managers, forestry workers and people looking at forestry as a future work option. The most common perception is that the money paid to workers is too low. This is compounded by other issues such as the physical and mental toughness of the work, the stigma of working in forestry, the reputations of contractors, the image of forestry, the use of drugs, the availability of the unemployment benefit and the location and type of land worked.

The final chapter, Chapter 5, summarises the previous three chapters, and undertakes an analysis of the findings. The focus is on the features that are impeding the development of forestry. The primary impediment is the capacity of the region to adapt to forestry growth. The increasing volumes of logs are placing pressure on the capacity of the region's infrastructure, workforce, community and decision-makers. Lesser impediments include the lack of industry and community participation processes in the development of forestry; the poor image of forestry (that is adversely affecting the community support and involvement in forestry); the reliance on a market structure in industry organisation, which is already showing signs of stress; and the nature of the contracting system including the payment of workers. The chapter finishes with ideas for future research.

# Chapter 2

# Perceived Impediments to, and Consequences of, Forestry Sector Development

#### 2.1 Introduction

Forest sector development in Gisborne and the East Coast is shaped by factors that incorporate the physical, social, political, historical and economic nature of the land and its people. Gisborne, and particularly the East Coast, have very distinctive features that influence the manner in which forestry is, and will be, conducted. An East Coast nonforestry owner summarised the dilemma facing effective forestry development in the region.

For a forestry owner... the only thing that is in favour in this area is the fast growth rates. There is nothing else... There is no infrastructure. There is no roading. There is no labour force. The ground moves, and it is miles from a port.

[The East Coast] hasn't got the electricity supply ready yet. Though they are working towards that. They haven't got the roading infrastructure in place able to handle it. They haven't got the port infrastructure in place able to handle it. I doubt they even have the water supply. It could certainly be set up in Gisborne. But if you want a major development in Ruatoria, you've got... problems.

This chapter highlights these and other perceived impediments to forest sector development that are most talked about within the forestry industry and the community. Included also are the perceived consequences of forestry on the communities, which can become further impediments. The discussion covers infrastructure concerns, social impacts on the rural and urban communities, the economic impacts on the rural areas and Gisborne's central business district, and environmental issues. The political dimensions of forest sector development are discussed in the next chapter on social and industry tensions.

#### 2.2 Infrastructure

There is a widespread view that gaps in physical infrastructure are preventing the region from obtaining its most beneficial forestry outcome. In Gisborne most talk centres on the need for further processing facilities and an expanded port operation. On the East Coast concern focuses on the roads, logging truck numbers, alternative transport and secondary port options. East Coast residents desire inclusion in the bigger picture of the forestry sector development. There are ideas of establishing processing plants in Ruatoria and Tologa Bay, barging from Hicks Bay and a second port in the vicinity of Tologa Bay. However, an East Coast landowner suggested that any desired improvements in infrastructure, particularly on the East Coast, will only occur after a production gap has passed.

Basically, forestry had a big slow down from 1983 to 1987, 1990. There is a huge gap where trees weren't planted. That is going to have a major bearing on any ongoing development of infrastructure, because there is a big gap. If you are going to build a port or a processing mill you want the same quantity of logs coming in every year or growing. You cannot afford a break. Until 2020 I cannot see anything happening up here, because of the big gap when the government mucked around.

The understanding of views on the infrastructure concerns of processing, roading, port facilities, alternative transport and power supply are discussed individually.

#### **Processing**

The need for additional processing facilities is seen as economically essential by many opinion leaders. There is a belief that the volume of trees to come on stream dictates the need for other processing in Gisborne and possibly the East Coast. It is believed that increased processing will provide more jobs and business for local supporting industries, therefore creating an increase in overall economic activity in the region.

However, comments from other community members signal a low level of confidence that the desired level of processing will occur. A view from a non-forestry community observer represents a common community view about the future of processing.

Forestry was expected to create work, particularly in the value-added component. However, aside from JNL, this has not happened. The forestry industry has basically been set up for log export. The dream of setting up value-added industry in the region is unrealistic and unlikely.

Many people understand that Juken Nissho has plans to expand its operations, and that Rayonier are capable of undertaking processing. However, people now believe that Juken Nissho's plans for a new plant have been put on hold since the Asian crisis in 1997. It appears to many that this event frightened companies away from further investment. There is a concern that the other international companies with forestry interests in the area will remain log exporters only.

The exporting of logs is expected to continue, though optimistic observers believe that there is room for two or three more medium sized processing facilities in the region. The Gisborne District Council's Economic Development Unit has tried to entice overseas companies to set up processing plants. There appears to have been little real interest to date.

There are many reasons why companies may not be investing in Gisborne and the East Coast. The reasons suggested by forestry companies in and outside of the region include macroeconomic issues such as fluctuating market demands, international exchange rates, increasing world-wide timber production and oversupply, increasing oil prices, international legislation, and competition with other pine producers around the world. Alongside are national and regional considerations. Concerns identified during the research include the impact of the Employment Relations Act, national and regional resource management legislation, labour force supply and local infrastructure capabilities.

The view that value added processing is the answer to the future success of forestry is not agreed upon by all parties. There have been comments that suggest that such an outlook may be misguided. A representative from a forestry interest saw that maybe there was an unrealistic expectation about value added processing.

Most people assume that... the money is made in the processing, which is a real agricultural thing. The resource is just a pure commodity, which is low in value and is raised in value through some processing. That is where the money is made. This is not the case in forestry, because forestry has land use over a long period of time is an investment in its own right, with the specific risk profile, which people are prepared to pay the rights to, because it has a certain investment outcome. If you look at the forestry valuation chain the money is made at either end of the chain. It is made by the forest owner and the retailer. The processors in between become hugely squeezed and they become the very low margin, with very small rates of return on their capital.

The industry does not need [processing] to survive. They can trade the logs elsewhere. But, people believe that the jobs are in the processing plants, which is another fallacy. Processing plants reduce jobs over time. They become more mechanised.

A Gisborne businessperson with an interest in processing was aware of the need for processing, but also what may impede it.

There is nothing else serious in the JNL scheme of things. With the wall of wood that is coming on stream, we need to get about 4 or 5 operations the size of JNL. Then you would start doing some good. But, is the labour resource there, in the region, with the right attitude to be able to do the work that is going to be required?

A labour supply issue exists for current, and possible future, processing facilities. The one major processing facility in the region already expresses problems in finding workers with the right skills and desire. They also face the prospect of skilled staff being enticed away if other companies build processing operations. If this processor struggles to keep staff numbers at adequate levels, then the presence of another processing plant would exacerbate the labour shortage problem. Other comments from community observers support this premise:

If someone came and built [another] mill, there is no population base of expertise to start it up. That's a huge disincentive. To invest in a major mill, when there are not the people.

You need another Gisborne to keep the increased processing going.

#### **Roads**

The largest and most discussed infrastructure concern is the roads. The importance of the roading infrastructure to the local community is very high. Many people see the roads as a key factor in the feeling of isolation attributed to Gisborne and the East Coast. The condition of the roads and the manner in which they come into the region is considered to be of a poor standard. There are concerns that the East Coast roads, in particular, are unable to handle the increasing logging traffic. An often quoted statistic by council representatives and community members is that there is currently a logging truck on East Coast roads every five minutes. Predictions are that this will increase to a logging truck every one minute. An East Coast local summarises the often quoted dilemma:

The last forecast we heard was one every minute, 16 hours a day. That's one way, I believe. That is supposed to happen within five years, I believe. I got that one every minute from the council engineer, because they are worried about their roads. It is going to cost a lot of money to look after the roads.

Combining poor quality and increasing logging traffic heighten roading concerns. Two people working within the forestry industry highlight the road problem:

There is a lack of adequate roads to be able to handle the increasing logging traffic. The roads are not wide enough. The pavements are not strong enough. Logging has also created problem for other users of the road, as they go from no logging trucks to many logging trucks overnight.

Nothing has been done. And, to physically put the roads down that are needed is an impossibility. They will have to use the existing ones. People will be getting killed because there will be so many trucks on the road. It is going to be compounded. You physically cannot have a truck on the road every one minute.

The ability to upgrade the roads to the "required" level is doubted by some observers, for example, an East Coast farmer stated:

There are huge problems as the stream of logs come on board. For the very same reason the land is unstable for farming, it is unstable for roading. To get the road up to a standard to cope with the increase in logging trucks and the rest of the traffic. It is going to be a nightmare for whoever does it.

The increasing numbers of logging trucks are seen as detrimental to the region's roads for three main reasons.

- 1. The congestion on the roads, especially in the hills, and the slowing of regular traffic flow, including tourists.
- 2. The damage to the roads caused by logging trucks. An unconfirmed statistic stated that one logging truck was the equivalent of 10,000 cars.
- 3. Logging trucks have a poor safety record in New Zealand. A recent newspaper article claimed that one in six logging trucks crashed every year. A recent television news article claimed that there are two logging truck accidents in New Zealand each week.

One proposed solution to decreasing the numbers of logging trucks is to increase the allowable load weights of trucks from 44 tonnes to 60 tonnes. This may assist in reducing the number of trucks on the road, but the physical pressure on the roads would increase.

People see a need for the local roading infrastructure to improve. They are aware of the wider benefits better roads would bring for tourism, personal access, and outside industry interests. At least one major forestry interest believes that due to the current cost of transporting logs it is not economic to set up processing. A suggestion is that with better roads transportation costs would reduce making the product cheaper and the prospect of processing more feasible.

There are questions surrounding who pays for the improvements. Should it be the forestry companies, the transport companies, Transit New Zealand, the Central Government, or the Gisborne District Council? The latter may be required to pass the costs to the ratepayers. Many ratepayers are not keen on this when they perceive the greater benefit is for the companies that take trees and money out of the area. Many perceive that there will be no benefits for the community, either through jobs or value-added industry. A Councillor outlines the problem, and focuses the cost responsibility on the Central Government:

We know there is a lot of timber that is going to come out of the forest. We know where the timber is coming from. We even know the roads they are going to use. But, we can't get the Government to provide us with the 70 per cent subsidy to do a proper job on those roads, because we do not have the traffic counts. That is serious. There are huge costs involved for the forestry companies. There are huge costs involved for the ratepayers. The ratepayers are already throwing their hands up in the air and saying that we are not paying for those people to take the money out of Gisborne. We don't care if it economically good for the region.

What do we get from it? We are not paying! But – if there are jobs at this end of it, before it disappears across the water, maybe then they'd be a bit keener. The real problem is how are we going to get the roads to the required standard to carry those vehicles if the Government is going to stick rigidly to those rules.

The Council is currently conducting a Forestry Roading Strategy Study. The aim of the study is to investigate roading options, taking onboard public consultation and consideration of the development of other important infrastructure requirements, such as, alternative ports and potential processing sites. It is understood that at this stage the study is not investigating other transportation options.

#### **Port Facilities**

The Gisborne District Council owns the Port of Gisborne. There has been recent investment in the expansion of the port to cater for increased shipping. The current extension is part of a proposed larger scheme. The community is aware of the port's importance to the future of increased forestry. A well-developed port will assist in enticing other industry into the area. From the publics' perspective, the Tauranga and Napier ports are current alternatives to exporters. A business interest highlighted the need to protect the region's shipping ability:

It is inevitable, we have to have ports to take the logs out. We have the tonnage we are not going to give it to Napier or Tauranga out of choice. We want to keep the wealth in the Coast. The locals have said that because they already have had the town ruined when forestry took over farming. They ain't about to lose forestry to another town.

People are also aware that the port allows for easier shipping of raw product, such as logs, out of the region without value-added processing.

The forest industry interests in the region see three developmental concerns about Gisborne's port. First, the size and capacity of the berthing area. Second, the log storage at the port, and at alternative sites. Third, the access to the port for the logging traffic.

The current issues surrounding the port mean that there is already a large quantity of logs going to outside ports. This represents a loss in income for the Gisborne District Council that owns the port. A popular ideal is that the port should expand its berthing and storage, with an increased export of locally processed products occurring.

However, there are questions as to whether the port will be able to contend with the level of logs expected with the trees coming on stream in the next five to ten years. One response has been to suggest that a second port be built further up the East Coast. The main suggestion is somewhere between Tologa Bay and Tokomaru Bay, with a Tologa Bay option currently being investigated. Two East Coast business interests summarised the capacity problem facing Gisborne and its port.

They have 5-600,000 tonnes now. If they increase the capacity by putting in another nine hectares of logging bays they will get up to the million. They will need to do that, because in the next few years they'll need that million, because there will be up to three million. Napier and Tauranga will have to take the excess. Gisborne will have all it could ever handle, and because of the infrastructure of Gisborne anyone who owns a property along the beach or anywhere in Gisborne is going to see a truck coming in every minute. They will

freak out anyway. They can have their truck every three minutes and have their million tonnes, but any more will wreck Gisborne.

(The region expects) up to five million tonnes in 15 years. The complete output of Tauranga is four million. Gisborne can probably handle a million tonnes at tops without expansion. They have got nowhere to expand to except out into the sea.

The role of the port in the decisions revolving around the infrastructure development is paramount. There are roading development strategies being investigated, though the claim by industry interests is that there can be little roading development planning until the port locations, storage and accessibility issues are decided. Connected to this is that the potential processing investors are waiting for the roads to be improved. This places the port in a position of priority in infrastructure needs.

#### **Alternative Transport**

In response to the roading and port capacity concerns there have been various suggestions of transport alternatives. The two most public options are barging and rail<sup>1</sup>. Many people are aware of the alternatives for the region, a Tokomaru Bay resident explains:

It was always thought that there would be a port at Hicks Bay or barging operations at smaller bays up the Coast. That still has to be an option. There is talk of another port at Tologa Bay. That seems incredible. I can't see that they can maintain a port in Tologa and Gisborne. I would have thought that there would be more sense in railing.

There have been several investigations into the feasibility of barging from the Hicks Bay area. This would take many of the logging trucks off the coast roads. The concern for Gisborne about such a proposal is that if companies have barging from Hicks Bay it would be easier for them to ship the logs to the port in Tauranga. Resource concerns are understood to be a major hindrance in this option.

The extent of the rail options are not fully known. The region does have concerns about losing its rail link with Hawkes Bay and whether the rail system would be capable of transporting large volumes of product<sup>2</sup>.

# **Power Supply**

There have been some concerns raised that the power supply to the region is not adequate to handle another one or two large processing plants. Various sources have different interpretations of the problem. A senior council representative said that there are the facilities in the Gisborne region to provide power for more processing plants. The same could not be said for Ruatoria on the East Coast.

#### 2.3 Social

The community feeds the workforce, which are employed by the forestry companies, which creates the industry.

This quote from a local person connects the potential success of forestry to community development. The concerns of the community are broader than the social consequences of

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<sup>&</sup>lt;sup>1</sup> One person did mention a third option of a large flying fox along the coast.

<sup>&</sup>lt;sup>2</sup> Recent advertisements by Tranz Rail regarding restructuring and the closing of some lines have highlighted the vulnerability of this rail link.

forestry on the region. The changing employment and economic environment of Gisborne and East Coast, however, are seen as factors influencing the changing social problems. It is unfair to state that the forestry industry is the main contributor to the evolving social issues. However, the community is affected by the nature of the industry, the people it brings into the region and the people that have left as a result of the shift in land-use industries. The research identified several social concerns that have been directly or indirectly associated to the growth of forestry by the community.

#### **Equivocal Community Support**

A noticeable social impediment to the development of forestry in the region is the level of community support. There appear to be two major positions in the community. There are the community members who are personally committed to development or have economic interests which benefit from the growth of forestry, including a job. The other group containing people who have experienced the negative effects of land use change, such as job losses or business downturn, are focussed on issues of community development, or experience emotional reactions to changing landscapes and increasing logging traffic. There are also decision makers and politicians in the region who claim that forestry is what the community wants, although this research of community attitudes indicates that this may be an incorrect assessment of the community's feelings about forestry. This split raises the question whether any amount of infrastructure development and job creation can effectively move the community as a whole forward into a positive environment of growth and social sustainability if basic support is lacking

An overall assessment of community attitudes suggests that a confidence in the future of forestry in the region is lacking. Local people do not deny that more trees are coming on stream and the increased management, harvesting and export of the trees is likely. The low confidence lies in who in the region will benefit from the growth. There are concerns regarding the level of real commitment from forestry companies to the region. The need for value-added processing to benefit the local economy is acknowledged, although there is a feeling that it will not occur to the desirable levels. The economic prospect of being a provider of raw materials for outside interests does not appeal to many. The reference to the forest companies "raping" the region was mentioned on several occasions.

The attitudes of many community members towards forestry are, therefore, not conducive to its development. There are claims, for example, by some people that forestry has "killed" local businesses. Some forestry interests believe these negative perceptions are representative of a community not capable of seeing the long-term positive benefits forestry will create. Currently, the community views are mainly focused on the visible negative impacts.

The following are a selection of quotes representing the levels of community confidence in the forestry sector. Overall, there is an acknowledgement that forestry is providing needed industry for the region. There is recognition that more jobs are being provided and money is flowing back in to the community as a result. There is a suspicion, however, that the region is not receiving the full benefits and is not likely to in the future.

#### Positive outlooks:

Forestry has kept Gisborne going... The forestry feeds into the port. The port employs people. There's hundred of businesses around town that have flourished since the forest industry came into this area. New businesses, existing businesses. People who have set up services specifically for the forest industry. Perhaps they

would have left town if they didn't have that to do. Perhaps they would have just decided to take the benefit and sit back. As far as forestry is concerned I think it is positive for the region... Look at Ngati Porou. They have got themselves so highly organised that they are able to go into multi-national deals with the likes of Hansol to buy previously owned farmland and put it into pines, and say 'this is an investment in the future of our people'. And, that in itself is a major undertaking. Positive. Definitely positive.

There have been happy people that have found employment. They have got themselves on their feet. They are no longer frustrated. You have incidences where the kids have grown up in an unemployed family, the son has got a job. It has positives.

What the region requires now is patience to see the benefits. When this does occur the region will see more of the things they desire now, that is especially that there will be more processing.

#### Negative outlooks:

I see JNL, and that has created some employment for some of the locals. I see them chipping everything and their sawdust piles down by the wharf. I see logs going out. We are just being used as a raw resource. A cheap place to grow.

Forestry is supposed to be the saviour of the region. The reality is that there are not the financial incentives to work there and if the jobs are there why are people not doing them?

Forestry has absolutely devastated this region. We had the government...saying it is going to be the saviour of the Coast. Well, it has actually killed it. Stone dead.

*In 50 years there will be nothing left for the locals.* 

#### **Social Problems and Crime**

The social problems facing the local communities are not new. There has been talk of an increase in crime in the area. There have been accounts of high levels of domestic problems<sup>3</sup>. There have been accounts of the high numbers attending court on Fridays and that the local periodic detention centre apparently has the maximum amount of people that they can manage.

Anecdotal information suggests that there has been an increase in the number of families with both parents working, due to economic necessity. Some community sources see a correlation between the economic need of dual income families and the rise of some forms of crime in the area. A local high school teacher talked about the changing family dynamics:

It makes it very difficult for many families. Often there are two working. Working shifts. Low paid work. It makes it difficult for the children and for the support from home. Others don't have two parents at home, just a single parent... If both parents are working, or if there is only one parent, they don't always know where their youngsters are often.

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<sup>&</sup>lt;sup>3</sup> A third party told of police recently dealing with seven domestic incidents on a Thursday night then eight on the following Friday night.

With the increased need for both parents of lower socio-economic families to work, less home supervision for youth is provided. The suggestion is that this results in more 'street kids' leading to increasing problems, such as tagging and other vandalism. A local retailer related his frustration with the problem of 'street kids' and said that he has no other option but to close shop and go on a benefit. There have also been reports of locals telling visitors not to go into Gisborne's central business area at night due to the youth on the street. While not directly attributable to forestry, the industry is seen as one of the main areas absorbing at least one of the parents of lower socio-economic families.

Official police statistics for September 2000, however, indicate a reduction of overall crime in the area over the past three years<sup>4</sup>. Local police support the statistics by stating that there are no types of crime or crime levels that are significantly noticeable for this region. The police do recognise that there is greater representation of lower socio-economic people and Maori in the overall statistics for the region. They relate these to the general demographic nature of the area and not any unique criminal base. Police recognise that there is a problem with unsupervised youth. They connect this problem to parenting skills, truancy and lack of family responsibility.

Many community members associate the high levels of unemployment with much of the crime and social problems faced in the region. A traditional view in response to this is represented in the following comment from a community worker in Gisborne.

If you look at the occupation of people that are featuring in the court reports, what percentage are unemployed? What percentage are deemed to be in work? I reckon it is an 80/20 mix. It has always been my contention that if you provide a person with a full time job, and get them into a 40-hour week work ethic, and get them motivated, they will be too tired and buggered to do crime. They'll actually be asleep in bed to get ready for their next day's work. It is not going to be an over night thing it is going to be 20 years.

Finally, there has been a connection made between the increasing availability of wages from forestry and the increasing budget advice needs in the community. Two other people with community development connections highlight this issue:

I am not saying forestry workers get paid more money. They get paid lousy money. It is more money then their benefit had. These people did not know how to look after their money. So, you have this other problem. They start getting in debt. From earning \$300 on a benefit, they get \$700. They get all this extra money, so they buy a car. They forget they have the monthly repayments, and they go buy some furniture with payments on a different day.

There has been a large increase in budget advice. It has been just overloaded. Now there is an 0800 number for budget advice up the Coast.

What is not clear in many respondents' minds is the nature of the link, if any, between these general problems and the growth of forestry. People see forest development, believe there are increased social problems, and link the two. However, apart from the budget issue, no one provided evidence of how forestry actually contributed to social problems.

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<sup>&</sup>lt;sup>4</sup> September 2000 police statistics show an overall decreasing trend in reported crime in the Eastern region for every 10,000 people: 1997/1998 = 1,511.2; 1998/1999 = 1,382.8; 1999/2000 = 1,280.9.

#### **Social Cohesion**

In addition to social problems, there have been suggestions that the make-up of the people within the community is noticeably changing. An area where this is being noticed is in the voluntary sector, which is believed to be disappearing. Whether they organise the local festivals or perform community support work, people that would normally participate in the voluntary sector are increasingly becoming unavailable. Three reasons have been associated with this. First, more people are being forced to focus on their own survival needs, due to the economic climate in the region. Second, people normally associated with this form of work are leaving the community and are not being replaced by similar people. More than one community representative has highlighted that the types of families that normally contribute to society are leaving and are not being replaced by similar people. There are people returning "back home" for jobs, though they are not considered to be of the same nature as those leaving<sup>5</sup>. Third, there is a feeling that pressure is placed on people who give their time voluntarily. They are being given greater responsibility in the community, though there are less people to support them or take their place. Some see that the pressures and expectations on people within the community have meant that the natural support areas are beginning to falter.

The East Coast has relied on the non-working population for its survival networks, as commented on by a person with close community work connections to the Coast.

There are not a lot of people up the Coast doing nothing even if they are not employed. There are a lot doing voluntary work, especially on the Coast. It is very hard to find an unemployed person at home, because they run the infrastructure of a lot of things up there. The schools. Things to do with older people. They don't have the organisation there to help them. So, they have to help themselves. If you actually start forcing people to go to work these other infrastructures will fall down.

Further, schools are noticing a difference in the students that are making up their roles, as the children of the professionally educated people leave the region with their families. One school representative said that the area was losing the "role model" students that were the "pillars of school communities". Apparently, there is a decline in students who will work hard and listen to instruction, and who will lead student activities and views in the community. While not excessive, there has also been a noticeable decline in standards of discipline within the schools.

Again, these trends are not directly linked by people to specific forest sector development, but there is a loose association in peoples' minds that the two are somehow linked.

#### **Downturn of Rural Communities**

The most talked about social consequence of forestry sector development is the changes experienced by rural communities. Many view that with the mass conversion of farmland into forestry, once booming rural communities have either shut down or been reduced to "ghost towns". Commonly talked about is the social dislocation of the rural communities. Interviewees tell of how they are saddened to see communities they had known for years, with rugby and cricket teams, pubs, hairdressers, service stations and schools, disappearing. All that remains are some run down buildings and overgrown fence lines. For many, forestry is "destroying rural communities". Other people have talked of the large stations that used to

<sup>&</sup>lt;sup>5</sup> Gisborne District Council Economic Development Unit presented that there has been an decrease of population over the last five years of an annual average 0.2%, or 600 people. For the year ending March 2000 other official figures showed a net migration loss of 131 from the region.

support communities of farming families and associated labourers, that are now forestry blocks. Some remaining farms are becoming "ring fenced", which means that a farm has been surrounded by forestry. This is forcing the farmers to move out as they increasingly become geographically and socially isolated. Some East Coast farmers talked about the impact of forestry on farming communities:

They have buggered the social structure so much up in the areas, that they are not having any social life whatsoever. They will sell those places. They are all scared of being the last man in the valley, or the last ones to turn the lights off. There will be more people having to sell up because of the lifestyle that is being forced upon them.

Lots of families up and down the East Coast have sold and gone. The social fabric has disappeared completely.

The perceived future for farming in the region is mixed. It depends on the location of the people to whom you are talking. The East Coast view on farming, in particular, is generally not optimistic. It is expected that forestry will dominate the people and the land in time. Many commentators focus on the deepening isolation of the remaining farmers and their families. Comments from a real estate interest and businessperson on the East Coast act as examples of these views.

I don't think you are going to see a terrible lot of farming left in the future. It is like a terrible ball that is rolling. The reason for that is...the farmers are saying they have lost the infrastructure. They have lost their community. They have lost their days out of golf. They have lost all the family get-togethers. They are quite lonely and don't want to be the last one to shut the door, so they want out and they are getting out. We have some very influential farmers around now who are saying they have had enough. They are getting out. They don't want their kids travelling to school everyday with that amount of logging trucks on the roads. They don't want to be part of it.

It has got to the stage where people out the back here were the only ones left. They were surrounded by trees. They were dead scared that they would catch fire (laughs). They had no option by to sell up and buy a farm in Hawkes Bay. They just couldn't stay there.

Closer to Gisborne the presence of forestry is acknowledged reluctantly, though a defiant optimism for the long-term future for farming remains. Two farmers in the area state their confidence in farming:

Farming will still be prevalent. There is always going to be farming. There will always be people who want farms rather than trees. In my opinion, there is very good land going into forestry that shouldn't be. They should be producing something to eat rather than something for the government to write on.

I am not positive about what forestry is doing for the community... What has happened is there have been a lot of rural workers displaced. What happens is they move into town because the employment opportunities are not there. They retrain in some other direction, not necessarily forestry, in fact many of them are not interested in forestry. What we are faced with is a real shortage in rural workers. There is a real wind down in rural communities. Reduction in rural

schools, which isn't positive in a community like ours. The bottom line is that Gisborne is still an agriculturally based community. That is where the wealth is in our region despite forestry.

An influential decision-maker in Gisborne succinctly summarised how he felt about the changing land use. Such a view is applicable to many people observing the changes:

*Emotionally, I love the farms. Intellectually, I know they won't be there.* 

#### 2.4 Economics

The state of the local economy has been a recent focus of discussion for the Gisborne area. Figures for the March quarter showed 3.2 percent economic growth for the region. A local newspaper article attributed the growth to "strong farming returns and business innovation". It is interesting to note that there was no reference to forestry. Some people have been quick to grasp that farming is seen as key contributor to the economic resurgence. This enhances some claims that the region has been too hasty in transferring farming land to forestry land.

There are also concerns that Gisborne is going to become another "timber town" like Kawerau and Tokoroa. This is unsubstantiated, but the images portrayed by this label create a level of apprehension about the social and economic future of the region. Optimistic views, on the other hand, see that the region has too many other positive economic possibilities to become another "timber town". The combination of the other industries including agriculture, horticulture and viticulture, plus the natural attractions of the region, mainly the beaches and the surf, are seen as assurances that this will not happen.

#### **Best Economic Use of the Land**

Rural interests challenge whether much of the land converted to forestry is the best economic use for that land. This incorporates the argument that farming land provided continual short-term returns and continued longer-term employment opportunities. Forestry has been seen as taking over 'good' farmland. There have been concerns raised as to whether the best use of the land has been considered. Two separate quotes, one from an East Coast based business interest without forestry connection and the other from a Gisborne based business interest with forestry connections relay the concerns about the best economic use of land.

The major thing is that trees don't produce an annual income. The farmer used to have an income each year. It was also locally owned in most cases. There are places up here that used to support five families. Plus, all the shearers and other workers that came in. Now there is a locked gate there. It doesn't support anybody. They come in and prune it after five years. Someone from outside the district usually. Then they will prune it again and eventually they will log it. Between these times there is no money coming out of it all. I don't know who actually owns that, but it won't be anyone local. When it is eventually felled the money won't come here it will go somewhere else.

If you plant a hectare of trees in year one. Four years later you give them a prune. Couple of years later you gave them another prune. A bit later another prune and a bit thinning as you go along. By year eight or nine you can walk away and leave those trees for harvest. Take any size of land with sheep or cattle. You've got to shear those sheep twice a year. You've got to keep the fences maintained. You've got a transport operator moving your wool. You cart your young and old stock. There is a continuity of work going on year in year out. In forestry you have a lot of work going on in a very short space of time. You have a

crew, they come in they sweep through the forest, they go away again. You haven't got the rural community base.

The East Coast Forestry Project (ECFP) was brought in to encourage planting for protection against erosion. This project has been considered environmentally effective, though many, again people with rural interests, question whether the ECFP encouraged people to plant sustainable farming land. Rural interests in Gisborne and the East Coast had similar concerns.

The government policies are not creating a level playing field. There have been subsidies and incentives to encourage forestry in the region, while there have been no incentives offered for farming. This has meant in many circumstances that good pastoral land is being turned over to forestry as a result. There have been changes in the East Coast Forestry Project that have meant that there is purely a focus on erosion prone land. This was not happening initially.

One of the reasons that the farmers sold out here, and they managed to get so many trees in, was that the government was offering tax rebates to the forestry companies. It wasn't offering tax rebates to other farmers, so that when the farm went on the market they got offered a fortune for it. I have family members who sold the farm for double its value as a sheep and cattle farm to the forestry. He knew he had to be in quick as it wouldn't last long. With that sort of gain he actually went out and bought another sheep and cattle farm. It wasn't that he wanted to get out of farming, it was just that he made a huge monetary gain. If the playing field hadn't of been altered you wouldn't find anywhere as many farms in it.

The forestry companies have been seen to be paying very good prices for prime farmland. There has been concern that the cheque books of the forestry companies have also meant that good sustainable farmland has been lost to forestry. An East Coast resident states:

I have seen really good farms sold to forestry. You cannot blame the farmers because they have been offered twice market value for this land, originally. When the big forestry investors were after land, they were prepared to pay double market value for that land... But, what has happened is a lot of nice farms have gone into forestry, that could sustain fantastic viable commercial farms. I am sad to see that happen.

#### **Labour Force Changes**

There are accounts of people being forced to move to Gisborne from the East Coast in the search for work as farms are converted to forestry. Some people are retraining and re-skilling for forestry work. Now much of the land orientated work force is based in Gisborne, but works in the forests. One regional opinion leader summarised:

The biggest... change I notice is that the labour force is mobile, whereas before it was residential. That is hugely significant in this region. It impacts heavily on the infrastructure of the small rural town. The dollar that was spent there before – Ruatoria, Te Araroa, Tikitiki, Tokomaru Bay, Nuhaka, Waiponga – those dollars are now spent in Wairoa and Gisborne. A large proportion of the mobile workforce takes their pay-packet past those places and back to the centres. The impact of that is visible on the eye. If you were to drive around you would see the

derelict schools, or where they have been sold. You will see garages for fixing motor vehicles, that's gone. You can't get a haircut up the Coast. You have to go somewhere else for that. Butchery shops, funnily enough, they disappeared. General stores disappeared. Where you can buy petrol at the general store they disappeared.

Many feel that the life of farming and the natural flow-on effects to those participating have been permanently disrupted by forestry. A non-farming person on the East Coast tracks the positive effect of working role models for the younger generations to learn from.

Even the workers on the farms. Their kids grew up on the farms. They learned about farming as they went. By the time they left school they had the skills, so they got a job. They learned how to shear a sheep and milk a cow before they left school. But, that doesn't happen with forestry. Even if the father has got a job, he can't take the children with them. So, they don't learn.

For those that have moved off the land, both workers and owners, the destinations are varied. Some have been known to move to Gisborne and retrain and move into other sectors, such as forestry, horticulture and viticulture. Workers committed to farming have left the Coast in search of continued farming work.

Owners in many cases have taken the profits from selling to forestry and purchased farms in other rural areas in New Zealand. Other people that have sold the farms to forestry have been known to keep smaller blocks land with their house and a few acres to retain the lifestyle they desire. The effects of the farm owners leaving the community are significant. Even Gisborne's central business district senses a change, as farmers were seen as having more money to spend than the increasing numbers of forestry workers.

As with perceived social problems, people find it difficult to separate the problems of rural economic decline that are happening anyway, and those that might be attributed to forestry development. Another report in this project offers some statistical evidence on this issue (Fairweather, et al., 2000).

#### **Local Business Economy**

A Gisborne based community observer stated:

A local shop owner considers himself the new working poor. He's on the bones of his arse. He is struggling to keep the doors open.

The shape of the central business district has changed considerably in recent times. The shopping district of Gisborne has recently been upgraded in line with the millennium celebrations. However, there are noticeable quantities of empty shops at the western end of the Gladstone Road shopping district. There are comments about how the farmers have traditionally been the big spenders in the local businesses. With the selling of farms, farmers are disappearing and so are their dollars. There may be just as many people in the community today, but it appears that their spending power is significantly less.

There is concern amongst Gisborne's retailers' association about what the expanding forestry will mean to the central business district. The timber town prospect features highly, the focus being on the lower socio-economic spending capacity in the region and the potential increase of problems in the central district in the nights, such as tagging, other vandalism and burglary. It is common to hear people talking about how "dead" the central business district

is and that Gisborne is becoming a "ghost town". An article in Gisborne's Herald newspaper recently stated that of 155 shop fronts between Reads Quay and Cobden Street 28 are empty<sup>6</sup>. Other commentators suggest that there are more, for example an ex-council worker claimed:

At one stage there was over 50 empty shop fronts in the CBD area. Someone did a count up one day. There are rows of vacant shops in places.

People see the presence of the larger retail chains, such as, The Warehouse, Briscoes and Pak 'n Save, as representative of the changing local economy. It cannot be stated that they are a direct response to the forest industry. Their typical consumer base, however, is of a lower socio-economic group that is highly represented by the workers within the forestry sector. Like many small towns around New Zealand the presence of these large retail companies is a considerable threat to local retailers.

The forestry industry brings with it numerous supporting necessities, whether it is diesel mechanics, engineers, or tyres for the logging trucks. Contact was made with several supporting industries in the region. Each admitted that they relied heavily on the forestry sector to keep them in business. Only one business openly felt they would continue to survive if the forestry industry packed up and left tomorrow. The examples of businesses that are responding to forestry's increasing needs include, a safety equipment business, a tyre service centre, a farm equipment provider that has expanded to include silviculture equipment, hydraulic specialists, mobile communication specialists, auto-electricians and chainsaw sales and maintenance providers. Opportunities have been missed according to some people, especially on the East Coast where there is a need for diesel mechanics and other accommodation providers.

There is an alternative argument, however, that the forestry industry is a hindrance to other forms of potential economic benefit for the region, particularly tourism. The threat of increased logging traffic is seen as something that will slow tourism in the future. A businessperson in the region made the following comment:

You cannot have a logging truck on your road and a tourist at the same time. They will be turned away at the gateway to the Coast. Someone owes the Coast millions in lost tourism revenue for a start.

#### 2.5 Environment

Opinions expressed on the environmental impact of forestry have been limited, although some prominent views were obtained. One view is the positive role that forestry contributes in the prevention of erosion. Many people talk of the impact of Cyclone Bola in 1988. They feel that the East Coast Forestry Project has gone a long way in preventing similar damage in the future<sup>7</sup>. A person with a geography background stated:

I am pleased to see the change in land use on the hills, as the whole area is prone to erosion. There is a greater stability than there once was, and it is the forests that are making that difference. A lot of the steeper hill country should never have been cleared. So, it is good that it is going back into trees. I notice that once they mill them they replant within the year, making the land more stable.

 $<sup>^{6}</sup>$  Another article in June 2000 stated that there were four per cent fewer businesses in 1999 that there were in 1998.

<sup>&</sup>lt;sup>7</sup> Erosion is still a problem. An article in Gisborne's newspaper reported a claim that the East Coast contributes one percent of the world's total sediment.

For industry supporters, however, here are issues surrounding the Resource Management Act (RMA), specifically the way it is being applied by the District Council. Criticisms have been directed at the Council and their "hugely precautionary approach" to applying the RMA legislation in the region. Their approach is believed by some to be adding costs to an already "high cost commodity" to produce in the region.

Another source talked of how part of this impediment comes at the instigation of the "greenie lobby", which insists that manuka and kanuka grows to a certain height then it cannot be cut down. A feeling relayed is that this "otherwise useless" land is being tied up in what some forest interests consider as "scrub". At the East Coast Forestry Interest Groups seminar in August 2000, representatives from Ngati Porou Whanui Forests talked of how the difficulty in using the scrub land in a productive manner meant that they may be forced to encroach on sustainable farmland.

Bio-diversity is another environmental concern. There is the prospect of a virus or moth hitting the local pine forests. The efficiency of systems in place to prevent such a catastrophe has been questioned. Views on the impact of forestry on native plants and wildlife as well as the implications of factory pollution have also been expressed.

I wonder where we are going in terms of bio-diversity. There has been a focus on erosion, using a single species, which is being cloned, creating a very narrow genetic breed. This raises very real disease risks, for example, "pine pitch canker" a dangerous fungal disease that could wipe out New Zealand's, and the East Coast, forestry dreams. There is no known cure and it cannot be stopped from spreading... If PCC hit New Zealand it would be devastating.

## 2.6 Summary

The infrastructure concerns, especially those surrounding transportation, appear to be the main focus of regional development discussions. They are also the prime areas of tension. Recently, the delivery of petroleum to Gisborne's port has ceased and there is a prospect of losing rail services. These losses threaten to increase road traffic, as more trucks are used to bring in fuel and freight. The region already appears unable to cater for the expected level of increased roading use predicted from forestry. If the roads are under pressure and the needed improvements are not undertaken, then the ability of the region to attract investment in processing is damaged. Paramount in the infrastructure development issues is the Gisborne Port and any other port developments in the region. There is likely to be fewer companies interested in the region as the gap between the infrastructure needs and the ability to provide them increases.

Social issues include the dislocation of the rural communities, and the deteriorating cohesion in urban and rural communities. This is illustrated by the dislocated youth and unemployed of the region who feature in the community problems, such as crime and substance abuse. While responsibility does not rest with the forestry companies, the attitudes expressed raise the question as to whether broader community awareness and understanding of the social consequences of forestry is required. The overall wellbeing of the community is essential to the future of forestry, whether people work in or support the industry or not.

This chapter has highlighted that infrastructural, social, economic and environmental issues are clearly interrelated. An obvious example is infrastructure that cannot develop without the capital (economics), the workforce (social), resource concents (environmental) and agreement (political). It is unlikely that any one factor by itself will impede development but together they can impede development. Therefore, a comprehensive understanding of all the

factors is very important. Furthermore, it should be noted that the community perceives issues that may not be supported as fact by more systematic statistical analysis. Nonetheless, the perceptions are real for the people concerned.

# **Chapter 3 Community and Industry Tensions in Forestry**

#### 3.1 Introduction

When examining the forestry industry and its dynamics in Gisborne and the East Coast, it quickly becomes apparent that there is a high level of politics involved. This is evident without knowing the history of forestry development in the region. Speaking to a few parties from differing interest groups involved, reading the local newspaper, and talking to a few local people on the street provide examples of the intensely political nature of the arguments. Furthermore, the industry and the community do not have a common understanding of the consequences of forestry sector development. They are yet to agree on what the potential is and how the people and businesses best prepare and benefit from an industry which is "here to stay, like it or not". The community is divided on what is best for the future. This is not to say that there is no positive and supportive outlook for forestry in the region. Indeed there are many voices, particularly those with an economic outlook, that believe forestry can help the region. This positive attitude does not, however, flow through to other community members, whose current experiences of forestry have left them with a pessimistic mindset. Forestry is being blamed for negative community effects, especially community size, structure and the low level of economic well being. There is a community feeling that it is only a few at the money making end of the industry that will benefit from forestry. At the top of the money making list are the forestry companies which many feel have failed to raise significant levels of enthusiasm for forestry since privatisation.

There are a wide variety of stakeholders in Gisborne/East Coast forestry. Interactions among stakeholders involves politics, which dynamically effect the nature and level of tensions. However, there are multiple influences from regional, national and international sources. These directly and indirectly influence the manner in which forest business is conducted and the nature of the consequential social, economic, political and environmental impacts. This chapter examines a small section of the tensions that became evident in the short time frame this research was conducted. The high profile of many of these tensions suggests that they are the most contentious.

#### 3.2 Tensions Within the Forest Sector

The forest industry comprises three distinct groups. These include the forest companies, contractors and forest workers. Also considered here are forest worker's families. Each group is considered in turn.

#### **Forest Companies**

The major forestry company participants in the region include:

- **1.** Rayonier: A United States company that bought 100,000 hectares in the second sale of forests from the New Zealand Government in May 1992. Thirty thousand hectares of this is on the East Coast. The Gisborne regional office opened in October 1992. From the Rayonier forests 20 per cent is transported to the central North Island for the domestic market; 65 per cent is exported; while the remaining is turned into chip at the Gisborne Port. Rayonier on the East Coast employs 13 management staff with a range of other work supplied through contractors and a key suppliers' alliance. Rayonier claims to indirectly employ up to 350 people in the region.
- 2. Juken Nissho Limited (JNL): A Japanese company that bought NZFS forests in the Wharerata blocks in 1990. The current planted stock for JNL in this region is 13,800 hectares. They employ contractors and crews to maintain and harvest their forests. Value

added processing commenced in 1994. This facility can employ up to 350 people. All wood from their forests is processed at the mill, forming some sawn timber, with a main focus on laminated veneer lumber (LVL). All processed wood is sent to Japan.

- 3. *Hikurangi Forest Farms:* A Malaysian owned company with approximately 25,000 hectares of forestry. They are due to undertake harvesting in the next two to three years. When the Hikurangi forests start being felled a very noticeably increase in forestry activity in the region is expected. Hikurangi Forest Farms are starting forward roading operations in the next few months.
- 4. *Ngati Porou Whanui Forests Ltd:* In 1996, this company formed a relationship with Hansol NZ Ltd, a subsidiary of recognised Korean forest company Hansol Forum. Ngati Porou Hansol have established 6,500 hectares of forestry, with an aim of having 10,000 hectares by 2002. The long-term vision is to establish 40,000 to 50,000 hectares. At a recent forestry seminar representatives from Ngati Porou Whanui Forests claimed their key concern was with the limited access they had to land due to the forestry accord that prevented them from clearing "scrub" land.

There are several other large forestry interests of mixed ownership in the region. Forest managers, such as, PF Olsen, Kohntrol Forestry and Ruru and Willis, are custodians of considerable large areas of land. Another well represented forest interest in the region is the Small Grower's Forest Farms Association.

There are positive and negative views about all the existing forestry companies. Positive views include provision of needed industry in the region that assists the local economy, provision of jobs, provision of maintenance contracts, and increases in the overall level of money available in the community. Juken Nissho has also initiated policies of employing local people and have arranged cultural exchanges to Japan for staff and some of their families. Negative perspectives are that the bigger players are not committed to the region, their interests in the community are minimal, and they are only here to get what they can from the land and the people.

A boost to the local economy is the Juken Nissho processing plant near Gisborne. It currently employs between 300 and 350 people. Juken Nissho has a policy of trying to utilise local labour in the factory and in the forests. There is a mix of gender, age and race at the plant. A view is that the plant employs those that do not want to, or cannot, work in the forests. There is the prospect that people will move into the mill work once they have finished with the physical forestry work. For potential employees the plant appears to offer a stable employment future.

In reality, Juken Nissho have suffered a high turnover of staff. The main factors attributed to this are the low pay, the boring repetitive nature of the work and the shift nature of the work. One view is that the good workers quickly become disillusioned with the work and will seek better paid jobs elsewhere. For the unskilled labour needs, Juken Nissho have employed an independent recruitment company, Kelly's Services, who have an office on site.

The prospect of other processing in the region is claimed to be welcomed by the management at Juken Nissho. They would not be overly affected by new processing in the region, as they already have their own forests that provide the required level of trees for processing, and that there is a predetermined market in Japan for their finished products. The concern is that new processing plants would increase the competition for labour, especially the more skilled people, as there is a gap in the ability of the local labour force to skilfully occupy positions in

any new plants. If Juken Nissho, the sole major processor in the region, is struggling under the conditions that exist at present to maintain a quality labour force, then a future with two or three other plants is questionable.

The community perspective of Juken Nissho is generally favourable. However, there have been comments on the emissions from the plant and there is an environmental concern group that is wanting to take the company to court over the plant's air pollution. There have also been complaints of the poor pay offered to the unskilled workers. A source revealed that the starting rate at the plant was \$8.85 an hour. A young male told of how his father warned him to stay away from Juken Nissho, as they had no regard for their unskilled labour. On the other hand, there have been positive comments from the community, especially in that they provide much needed industry for the region and that the conditions and rights of the workers were good compared to many other work options available in the region.

## **Contractors**

The forestry companies contract the majority of the forestry work for silviculture, harvesting, inventory, weed and pest control and transportation to independent contractors. It is believed by local people that there is a mix of contractors from inside and outside the region, with the outside contractors either bringing in their own gangs or hiring local workers on short-term contracts. Figures on the exact number of contractors in the region have been hard to place. A regional government employee working with forestry interests stated that there could be up to 100 logging and silviculture contractors in the area. While the numbers of harvesting crews is easier to track, it is the nature of the work and contractor that make it hard to quantify the silviculture contractors. This person explains further:

[There are more silviculture gangs], but it is where you have the least information. Especially now, you have gangs that have just arrived for the planting season. One guy, harvests other vegetables. When planting comes on he goes planting. He becomes a forestry contractor for two or three months.

It is seen that pressure is placed on the contractors by the forest companies because of the need for profits and the competition between contractors. Contractors are believed to pass the pressure of profit margins on to the forest workers. They do this by providing lower pay scales, encouraging poor safety habits and providing little training for workers. Further, there is pressure to take risks and break rules to complete contracts on time and at a profit.

From the contractors' perspective they are the ones caught in a vice. They have to contend with the poor rates offered by the companies, the prospect of other contractors undercutting them, and the conflict that arises in their relationships with the workers, who feel the contractors are being misers. The following quotes, from contractors and non-contractors, highlight some of the contractors' dilemmas.

There is plenty of forestry work, it is just securing it. There are a lot of other people that will show up, think they can do it for cheaper. That pushes you out of the way, when you are a serious contractor. They'll get in there go like a bat out of hell. Then go broke. What's the point in that? The guys that work for him get less money. He goes broke. There are a whole lot of workers looking for another job, and the forestry company wins there because they got the job done cheap. That is not really helping the communities.

The forestry companies are screwing the contractors down to the last cent. Nobody can make a bob. You have got to break every rule in the book to try to. When you start breaking rules you start having accidents.

We are typical contractors. We have... loans with finance companies, and we have to pay them back. The only way to pay them back is to work, and the only people we work for out here are the forestry companies. We do try to set up a cordial relationship. Though we do have our problems.

The forest companies have a lot to blame, because if they pay peanuts they get monkeys.

Many of the contractors are regarded as unscrupulous. WINZ representatives attribute the reputation of forestry contractors as a major reason why people are not staying in forestry work. There are various stories about contractors under-paying and not paying workers, disregarding the safety and welfare of workers and paying workers in drugs. In the Gisborne area it is believed that there is only around six contractors that are reliable. A person with contacts with many forestry contractors was more generous:

I would say most logging contractors are pretty decent kind of guys. Silviculture, I would say 40 per cent are just there to rip the guys off. A lot of these guys come in for a month and they bail out, they go broke, or they can't pay the men, the men won't work for them. They are in, then you hear about them after they have gone. It is just like a revolving door.

For those in the category of good contractors, the responsibility toward the workers is taken seriously. A contractor is responsible for getting the men up to the forests, ensuring that the work is done to a desirable quality and they have to pay the men from the rates they receive from the companies. If a contractor is paying workers fairly, there is a possibility that there is nothing left for them at the end of the day. The effectiveness of the operation and the man management of the workers appears to depend on the size of the contractor operation. A smaller contractor is more likely to struggle under the pressure of obtaining a profit and paying their workers. Further, the ability of the contractors to run a business is instrumental in whether they will succeed or fail. There has been mention of the high proportion of forestry contracting business failing in the region<sup>8</sup>. The following views reveal what it is like from the contractors' perspective.

A contractors life is absolute shit.

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As a contractor I used to get it. "You so and so, you're ripping us off." We only had the money from the companies to pay them and it cost x amount to run the business. There was suppose to be a profit. And, I can tell you there never was. Because I paid top wages and run it virtually at a loss. We still didn't make money.

<sup>&</sup>lt;sup>8</sup> There has been an account of a national finance company speaking to forestry companies about their business with contractors. The finance company felt that the poor payment for contracts has been a catalyst in the number of contractors failing. Due to the increasing high risk associated with contractors, the finance company supposedly stated that they may stop financing contractors. This was confirmed as an likelihood in an informal conversation the field researcher had with an Auckland representative of the finance company concerned. Such an action would limit the supply of contractors, therefore increasing contract rates and reducing the likelihood of silviculture and harvesting being completed on time.

Silviculture is the bottom rung of forestry work. The forestry companies offer a price, the contractors do what they can to try and pay the wages.

There are tensions amongst workers, if you hire a lot of workers especially. I am selective about who I hire because I don't want bad feelings from workers. If they have got a big family and the nagging wife who wants lots of money, you'll find as a contractor that you will cop it more from those workers, because they really need the money. They can't miss a day. Bad weather. Hail. Rain. Snow. They have to work else their house might get taken off them or they can't afford the rent. There is just not enough money there for the people like that. I am careful to try not to hire those people because it is not worth the stress. With the workers I have got, I try to ensure that they are the best I can get, and keep them happy.

Depending on where a commentator is positioned within the forestry industry, the view on who can act to rectify the problems differs. The forest companies have a perspective that they have brought the industry into the region and that it is up to the people to make the most of the opportunities. The view from outside points the finger at the companies to say if they want a co-operative workforce and effective industry they need to respect the workers and offer better contract rates. The following comments from two separate contractors suggest that the companies are one-sided in their attitudes to the welfare of others in the industry:

Being successful is what the forestry company should be aiming for, because if they have successful contractors they should be able to achieve their targets a lot easier too. Instead of having a lot of broken arse contractors.

The rather sad thing is when the markets are falling they don't come along and say "I hear your having a darn tough time, here have some money." But they are quick to come a long and say "hey we need to re-price this because the market is going to drop".

The future for contractors is starting to look more appealing. For some time the forestry companies have been seen to "screw" the contractors, but this is beginning to change due to the supply of contractors and workers and the demand for work to be undertaken. One person's feeling was that if a company attempts to screw a contractor now, the contractor can just "pack up and go elsewhere". The potential for this type of response is expected to increase when the Hikurangi Forest Farms starts harvesting in the next few years. It has been said that the forestry companies will have to lose the power and toughness that they once had. They are expected to have to change their attitudes to the contractors and workers out of necessity. The pressure to relinquish is felt to be higher amongst the forest managers who make "bold claims" about how investors' money will be spent. They are expected to have to be more responsive in payment terms in the market to ensure that the trees are managed well and that investments are protected.

### **Forest Workers**

A view from a forest manager was that the key responsibility of the forestry industry to a local workforce is to provide the work. A tension, however, existing between workers and employers, is felt by workers to arise due to a deliberate distance established by the companies. Many see that the nature of the contracting ensures that the worker has no direct relationship or tie to the company for whom they are actually working. In many ways the forest companies are an entity beyond perception for the workers. The workers feel alienated from the forestry industry, hence an attitude by many that they are "mere workers" exists.

The companies do have some input in the people that work for them, as they set targets for qualifications; insist on drug testing; and health and safety procedures. They also encourage the development of management in the contractors, as the level currently associated with them is not considered high enough.

Forestry companies want to achieve the best value for their trees. If not managed properly then maximum value is lost. Companies recognise that there are problems in the labour force and without the willing and capable workers the ability to prune and thin trees is lost. The forest companies continue to offer low contract rates for the work to be undertaken. This in effect flows through to the contractor, the forest workers and their families. Many in the community recognise this inconsistency, and sympathy exists both for the forest workers and those that choose not to participate in forestry work. An ex-contractor feels that financial reward paid for the work is inappropriate:

Would you want to work for \$100 a day... performing at that degree? When you could make \$100 a day sitting in a chair fiddling with a pen. These guys have to perform to that degree for just an average pay. They are not average men. It is time that forestry realised that and paid them for what they are.

Contractors are finding it increasingly hard to find "good" workers. There has been more than one contractor that has emphasised this by saying that they "can get the workers, but it is the quality that is a concern". The nature of the industry and the contracts mean that a lot of the workers are transient and very few are loyal to one particular contractor. There is competition for good workers, particularly in the more skilled forestry work. The problem is compounded by the fact that workers learn who the bad contractors are and will stay away from them.

A contractor who was new to the region was initially "blown away" by the workers he encountered. He saw them as "short-term thinkers, not thinking about tomorrow and the consequences of their actions". He felt their attitudes were astounding considering many of them were young with girlfriends and babies. They had poor work habits and to get them to work hard "took a bit of fostering". He has since come to realise that a person works better in a well motivated crew, and that motivated workers suffer in a "broken crew", that is, the one that has lost enthusiasm.

The level of trust that forest workers have towards the contractor and the companies remains low. Workers tend to be mistrusting and suspicious of their employers. There have been a lot of "cowboys" who have "ripped guys off". An ex-forest worker felt the job environment was unfair with there being very little input into the work by the employees. Everything is "controlled" and "manipulated" by the contractors. He was concerned that there was no one representing the workers and that they were unable to organise and express their concerns.

There was an account from a person who had been talking to workers about their views on their work. An initial expectation was that most of the forest workers would say that they did not like their jobs, though in early questioning they said that they enjoyed their work. This surprised him and he explained the attitudes as a result of personal and social pressure for men not to admit their displeasure for the job. Rather, they preferred to speak of the contractors not doing things properly.

#### **Forest Workers' Families**

There are contentions that the families of the forest workers are directly effected by the policies of the forestry companies, specifically by the rates of pay and by the nature of the

work. People feel that these create tensions in the families. In more than one interview the position of the partners of forest workers was emphasised. There was one account that women are proud to see their husbands in jobs. There was an opposite account of how men in the forests, particularly the silviculture workers, had been increasingly made to feel worthless and this attitude often was taken out on the families. This is represented in the attitudes of the contractors and companies, and the low pay workers receive in recognition of the physical work. The low recognition is believed to "demoralise the worker and they take this home and demoralise the family". One woman relayed her bitterness towards the forestry companies saying that they had no regard for the social implications of their policies towards workers. She felt that not only do men bring home the poor attitudes, but the financial pressures on a family are high. Other comments from women interviewed illustrate these views:

The impact of the low pay effects the families of workers. It effects the women and relationships through stress factors.

A male may work in the forest, yet that does not guarantee a minimum wage. The woman is put in a situation when buying food and basic essentials where she can't and this creates stress.

They wonder why two people don't declare their partnership, while on the DPB, if they declare he has a job then the women lose their security. The system is encouraging them to break the law.

## 3.3 Tensions Between the Forest Sector and Other Groups

In addition to tensions within the forest sector are tensions between the forest sector and other groups such as the Gisborne District Council, Work and Income New Zealand, Occupational Safety and Heal (OSH) and Central Government. Other sources include public opinion generally, logging contractors, other contractors, farmers and regional groups. Each is considered in turn.

## **Gisborne District Council (GDC)**

The forestry companies have major concerns about the infrastructure that is in place in the region. Their most noticeable concern is the lack of appropriate roading infrastructure. The Council's perspective is that they have been responsive to the increasing needs of the forestry companies. They have borrowed to expand the port and have re-zoned nearby land for industrial buildings and connected the land to power and water. The Council feel they are saying "we are ready, where are you?" The infrastructure provisions aside, the forest companies are not satisfied that the region is capable of coping with their demands. The implications are complicated, though many are asking why it is the Council that is deemed to be responsible for the infrastructure for their industry.

There appears to be misunderstandings occurring between the parties. The forestry companies are asking for the region to provide one thing, while the Council has taken it upon itself to provide others. While the Council's provisions are necessary, community observers continually question their planning and prioritising<sup>9</sup>. The Council and its supporters feel that the forestry companies are demanding, yet not forthcoming. The claim by the Council's side of the debate is if forest companies are expecting to gain from infrastructure improvements,

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<sup>&</sup>lt;sup>9</sup> There has been claims that the land set aside by the GDC for processing plants is of a poor standard and that to build on the land would be unsafe and money would have to be spent to improve it. There is a view that the GDC has set up this land without proper consultation with the community and the forestry sector.

then they should be prepared to put more energies and capital into the improvements. A local businessperson involved in forestry distributes responsibility between the Council and forestry interests:

Just because forestry has come to town does not mean the council throw up their arms and say 'As long as we seal the road and the trucks get to the port we won't worry about it'. It doesn't work like that... I think that major forestry companies in the area should be in contact, working with the local authorities, such as the District Council. To find ways where they can encourage the acceptability of forestry for a start. There are a lot of people who will whinge about the negative side of things. The District Council should be seen to be supportive of it. Number one, it is a major industry and provides jobs in our area. And, if they want their rates, then people need to be working.

Some criticisms have been directed at the Gisborne District Council's preparedness and responsiveness to the increasing needs of the forestry industry. A criticism directed at the Council has been that if they were aware of the requirements that the expanding forestry would bring, why have they not prepared? The Council's response is that they have been preparing. This is represented by various feasibility studies and the port and zoning action, as described by a person with connections to the Gisborne District Council:

What we do is we set up a large commercial area that is fully serviced, with all the facilities that those particular people are going to require. We bit the bullet 12 years ago and started doing that. We set up a huge industrial reserve. There is water to the gate. Power, the right voltage. The sewer lines are there. The roads are pretty good. The land we own. We have gone further, we have done a lot of the hearing process relating to the building of it. We've been down that track and passed all those hurdles. So, we can say to a prospective mill owner or company come and do some added-value here. The timber is on stream, it is available for you to purchase. A lot has been done apart from the noise and smoke depending on what you want to do. That is minor now. We can offer five year relief in payment for the services hooked up to you gate.

There have also been personal attacks on the calibre of councillors and employees working for the Council. There have been statements that there is a lack of "passionate people" and that people are "so laid back they are almost falling over". The lack of leadership is considered by many in the region to be a primary reason for why the community is not capitalising on forestry. Further, it is suggested that many of the Council's investment decisions in the region are misguided and tend to miss the needs of the region.

## Work and Income New Zealand (WINZ)

There are at least five identifiable functions of WINZ staff in assisting in the forestry industry's employment situation. These were communicated to the field researcher through several WINZ employees in the Gisborne and East Coast region.

First, they need to convince unemployed people that there is a place from them in forestry. Sometimes it takes quite an amount of convincing to get people to just put their names forward for work. It is believed that without WINZ pursuing potential workers, many of the jobs would not get filled. Second, they come under fire from the contractors for two key reasons: 1) If there are so many unemployed in the region, how come WINZ cannot fill the posts. 2) When WINZ do encourage unemployed to apply for work there can be criticisms about the calibre of people they send. Third, WINZ takes on the role of promoting the

benefits of working in forestry but this is a responsibility that really needs to be driven, or at least better supported, by the forestry industry itself. Fourth, WINZ works to identify training needs, pay for training courses, pay subsidies and start up allowances to buy equipment as people enter the forestry workforce. WINZ staff feel they are making a considerably larger effort than most forestry interests to create an easier transition of workers into the forestry workforce, both in skills provision and financially. Fifth, WINZ act as employment consultants for many contractors. They act to ensure that contractors are more responsible and that workers interests are looked after. A worker must sign an employment contract. If a contractor does not have a contract for a worker to sign then WINZ will not refer people to them.

WINZ has an important role in mobilising the unemployed and directing them into the vacancies that are available in forestry. The Work Brokers that liaise with contractors from Gisborne up to Ruatoria are constantly working to fill vacancies<sup>10</sup>. WINZ representatives consider their role in the supply of labour to forestry frustrating as they feel that the support from, and involvement of, the forestry industry and the Council could be improved.

#### **OSH**

Added to the pressure that is placed on the contractors and workers to perform and achieve targets and budget are the Occupational Safety and Health (OSH) requirements. A employment concern in Gisborne underlined the pressure workers were under:

You could even get into a situation where a worker who is in a hurry, discards his safety belt to move around the tree. That sort of thing. They can move up and down the tree faster without it. Those sort of issues. 'I didn't bring my hard hat, but who cares, I'm in a hurry'. That's the sort of thing that needs to be uniform right through. And, unfortunately with the process at the moment, I don't think that is monitored close enough.

People do not generally argue about the legitimacy of the OSH requirements. There are some issues that have been raised that question whether a few of the safety standards are needed. When combining OSH regulations with the contracting process many people working in forestry have argued that this places workers at risk, as short cuts are taken to meet targets and make a profit.

Some contractors feel that OSH regulations create financial and time pressure. While the safety of the people in the forests is paramount, combined with the pressure of working to profit, they are seen as a hindrance.

OSH would be one of the major reasons for the stress in the end. To drive most contractors to quit. The rules that you can not afford to actually keep, and if you don't keep them you are going to be prosecuted. So, you quit, because it is not worth it in the end. They tie a hand behind your back and say prune the trees. A contract may say you have to prune 200 trees a day. OSH says you cannot stand on top of your ladder and if you do you have to wear a harness. It takes a minute to put your harness on and a minute to take your harness off. That tree has to be pruned within a minute and a half or you don't make any money.

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<sup>&</sup>lt;sup>10</sup> There has been only one account of a Work Broker who has been able to fill almost all the vacancies they encounter via the contractors. Their region is from Tologa Bay to Ruatoria.

#### **Central Government**

Recently, the Government has set up the Tairawhiti Development Taskforce to investigate the economic development options for the Gisborne and Wairoa districts. The government backed taskforce was advocated by the local Mayors, Deputy Prime Minister Jim Anderton is leading it and it being overseen by Te Puni Kokiri. The taskforce opened for submissions from the members of the public on what could be undertaken in the community to enhance its development. Some council related observers were initially less than optimistic. Some felt that the taskforce was purely political<sup>11</sup>. Early findings from the Economic Development unit has focused attention on the further development of forestry in the region.

## **Regional Public Opinion**

The damage to community support from the effects of corporatisation of forestry in the region was noted by a forestry representative.

The fear that is generated by forestry is down to the corporate base. Gisborne has done badly from the corporate mob. It has a long history of people coming here taking the resources and leaving.

A feeling of being insignificant to corporate forestry is not uncommon amongst community members. A common view is that the corporate interests will ultimately gain, leaving the people and the land with little. The lack of processing and the fact that the public resent seeing increasing numbers of logs being exported add to these feelings. One strong community-orientated opinion saw forestry as an "exploitative enterprise that we will not benefit from". Another person stated:

Forestry is powerful and has been well organised with influence in key economic bodies, i.e. the Roundtable. In this, forestry has managed to steamroll much of what it wants. There is a forestry propaganda.

The role of the government in deciding a policy regarding the future of forestry on the East Coast is felt to have contributed to the "exploitation" the region faces.

The National government wiped the East Coast. They didn't know what to do with it. So they drew a line and said 'plant trees in that area'. And that is what happened. There was no thought of what did actually bring more money...

The intentions of the larger forestry interests in the community have also been questioned. There is a belief that forest companies in the region, particularly those with international ownership, have no real interest in the communities' welfare. In practice, the forestry companies have been involved in offering scholarships to schools, for example, Rayonier provided two \$500 scholarships to Lytton High School and their Land Care Skills course. Other contributions have been less noted. Outside of these low profile exercises the companies are not felt not to be attempting to be part of the community. The following are examples of community feelings about forestry companies commitment to the region:

The forestry companies put nothing back into the community as a company... The only people making it are the forestry companies. It is slightly raping the people. Taking everything from the people. And, when they've had enough. They'll leave them with their desolate land.

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<sup>&</sup>lt;sup>11</sup> One view given was that the Council should get on with its own agenda as the taskforce will come and go. Early indications are that publicly the region is supportive of the taskforce, yet there may be a conservative attitude behind the scenes.

Part of the thing is that they don't have ownership within the community, so it doesn't really mean anything to them. It easier to come in, do your thing and walk out. It is up to the people living in the communities to pick up the pieces.

It would be nice to think that [forestry companies] would take on a social policy, but they won't. Being in forestry is to make money. It's not to make friends.

There is a call from within the community that local people become more involved in the decision making process regarding the future of forestry in the region. There are some that see that the development decisions have been limited to corporate forestry concerns. Community workers felt that more should be done to involve the community:

Whenever there has been a conference on forestry, a taskforce or a meeting, the only people that are going to turn up are the forestry companies. If it concerns forestry encroachment onto farming land then you'll get all the farmers there. But where are the forestry contractors and forestry employees? Have they thought to be involved in the consultation process as well? All you are hearing from is the top management. I'm thinking the whole community should be involved in this thing as well.

I would like to see that there is more discussion in terms of what can we, in partnership with you, not just for the money, but as a community, what can we do that is actually going to help us all grow. Financially. With Jobs. With quality of life... Building the capacity of the community. That is what it is about. Then we all could come out as winners. Or, we feel like we are winners.

The government needs to start saying that it will start looking at the economic development and the social development together. This region needs a full needs analysis. Start at the bottom and work up. We have had too much throwing money at the Maori and fix up the problem. It does not fix up the problem. If you work on the social issues, people will start coming together and building the economic solutions. As long as we keep fragmenting and throwing money here and throwing money there, with the social workers and other organisation freaking out because money is being thrown in the wrong direction. Nothing is going to change.

A response from some corporate representatives is that the people in the community have been presented many opportunities by the development of forestry. A lack of initiative is often perceived. One forestry person stated:

People are focussing more on the problems and not aiming to get in involved in the opportunities... The people are waiting for someone to do it for them, as they lack the skills, development and motivation.

A more sympathetic voice from the Gisborne District Council recognised who initiated the change and why the community may not be so involved:

I think the biggest driver is the Council and the [forestry] industry at the moment. I don't think the man in the street is driving it. In fact the average man in the street is struggling to survive let alone worry about the macroeconomics of the world.

Further, there is a belief amongst the forestry company interests that the community are complaining at a wrong stage of the transition and development of forestry. There are some that believe that the community will benefit, though patience is required. For example:

Gisborne is in a cusp. There is time before the harvesting really takes effect. People in the region have not planned for the impacts of the harvest and therefore only see negative effects of forestry in the region. The time frame is too early in the piece, as the true benefits from forestry take a long time to be experienced.

## **Log Trucking Contractors**

Probably the most explicit source of tension focuses on the trucks transporting logs along the East Coast and into Gisborne. The logging trucks are seen as the "shop front" of forestry for the local community. Most people do not see the trees being planted, pruned and felled. Their only sight of the industry, aside for the trees in the hills, are the logging trucks. While the trucks are only a link in the chain, there have been multiple complaints about the numbers of trucks and the danger they represent. The expectation is that it is only going to get worse. The following East Coast voices typify the overall community concerns:

We are going to seeing logging trucks to the extent that we have never seen before. And the quality of the logging trucks may even be a problem. We are actually seeing that now. We are not getting the best of the logging trucks up here. I would imagine that if we continue with the type of trucks we have and the speed, accidents will occur rapidly. That is what I see as the biggest problem here. The logging trucks. It is part of growth.

Something is going to have to be done about logging trucks. I see them on the way into town, up on their arse, with logs sprawled all over the road just about every time I go to town. The are cowboys that operate that side of it. Whether it is the truck drivers are not getting paid enough? I hear \$10 an hour, some of these truckies that are operating some of these absolutely dangerous loads. It is going to be a really big problem. It really needs to be addressed.

Every month there is a logging truck that sprawled its load all over the road. It is not that we are not used to trucks. We have had stock trucks, but you never had them all over the road. The drivers were more responsible.

The contractors that transport the logs receive bad comments from the community. However, they feel they have the same rights as other road users, due to the high road user charges they pay. They also feel that this poor image of forestry is an unjustifiable burden for them. There was a suggestion that the forestry industry work closer with transport companies to ensure that an overall better image of forestry is communicated to the public.

The increase of trucks on the roads, and the condition of those very roads, was discussed in the previous chapter. The Gisborne newspaper constantly contains articles on complaints about the roads and logging trucks, with various suggestions on how to overcome the problem. The latest suggestion is to create a special link road north of Gisborne to cater for the increasing logging trucks. While this research has mainly focused on public attitudes to the roads and personal views on the solutions, it is acknowledged that considerably more negotiations are required before an agreed upon resolution occurs. Currently, there remains questions over who is responsible for the needed improvements and who bears the costs.

#### **Outside Contractors and Labour**

An increasing feature of forestry work is the numbers of outside contractors operating in the region. A Gisborne councillor explains what he sees as happening:

A large proportion of [forestry work and supporting business] is being done by people from outside the region. So, the money is leaving here. The key players, the people that have taken the trouble to go to university, and develop the management skills, the people who learned business skills. People have been coming in from Invercargill and doing really well. They bring in all the knowledge and use the local labour.

The nature of contracting requires mobility, that is, contractors locate wherever the work is available. Contractors have been known to enter into the region and bring crews from areas such as Southland, Canterbury, Central North Island and Northland. The presence of these crews is perceived as a threat to many local people, as outside labour takes away local jobs and most of their money will be spent outside of the region. There are community people that see the increasing presence and are concerned. For example:

The other thing I am worried about is the ongoing presence of forestry contractors from outside the region. If you read a few reports from the councils holiday park down at the beach. They got a significant amount of revenue from forestry contractors from outside the region, for example, Kaitaia. That was getting more people in the district, but most of the wages would be getting direct credited to their accounts at Kaitaia, and probably their partners would have access to the funds. [The money they used here would be incidental]. The predominance of outside contractors has always been a major issue here. The fact that we cannot source enough labour from our own resources. That has had an effect on the local economy. The fact that there would be local people earning local money to be spent in the local community.

There are opinions that the attitudes of the unemployed create a situation where, to get the work done, companies have no alternative but to bring in outside employees. For example, an East Coast resident stated:

There has been a huge proportion of people living of the dole for years and they don't want to work. If you talk to most forestry companies around here, they have to get their workers from out of the district.

There have been public suggestions that the region bring in immigration workers, such as Fijians, to assist in bridging the gap in forestry labour. These suggestions have been openly condemned. The local MP publicly announced that she would not support such requests. She felt that more effort was required in encouraging the transition of local unemployed into forestry work before any consideration is given to immigrant workers. For example, the industry needs to ensure that a secure income is available for workers from the onset. In a less public domain, there have been suggestions that immigration workers are appealing to businesses as they are accustomed to lesser pay and rights. This is seen as a threat to the already limited pay and rights of people working at present. Further, the introduction of immigration workers would mean locals had less opportunities to work in forestry.

According to some sources a solution lies in working with the people in the region. The same councillor quoted at the beginning of this section offers a suggestion:

What we need to have is the Maori Iwis (sic) poking a lot of money, maybe their fishing money, into some of the young Maori students, and getting them out of here and into the Forest School or cable logging at the Polytech, or into the degree programme at Canterbury. And, getting them well schooled up so they can come back here and take up some of the positions that at the moment outsiders are doing. At the moment there is no opportunity for the labouring people in the forest to improve themselves. They haven't had the opportunity to train. They might get up to be a ganger, but to actually run and own a silviculture group, it is a very profitable enterprise if you can do it properly.

#### **Farmers**

The forestry companies are regarded by some as inconsiderate neighbours for farmers. The complaints include poor maintenance of boundary fences, planting too close to farmers' boundaries, poor weed and pest control methods and a lack of involvement in the rural communities. A farmer explains how he perceives the relationship that forest companies have with the farmers, then follows with his response to a situation he experienced:

There are all sorts of problems there. [The forestry companies] have got to be a reasonable and fair neighbour. They don't do anything on the fences, they don't do anything on weed control. They don't care once they have planted their trees and got them established. They can just walk away for 10 or 20 years until they are ready for harvesting. There are some companies that are very are good, and there are some that are very antagonistic. They are not neighbourly at all.

The first forester that planted next to me, I went out the next day and pulled them all out within a 10-metre radius of my farm. There is a bylaw in place. Otherwise, when the trees grow there's 50 metres of shade into the farmer's pasture.

#### **East Coast and Gisborne**

There is a prominent attitude amongst the 'Coasties', East Coast residents, that they are separate from Gisborne and that if any economic benefits are to result from forestry it will be in Gisborne and not on the East Coast. The following quote from an East Coast businessperson is representative of these feelings:

Gisborne reaps the benefits off the Coast.

There is a feeling by some of being used by the forestry industry. Some believe that the area will not benefit from the employment offered. They feel their land and people are used, yet they do not experience any of the benefits. There are East Coast people that feel their particular region needs a slice of the economic pie to feel a part of the growth in forestry. This is generally represented by ambitions of ports, barges and processing occurring on the Coast. The expectations from less confident East Coast people of this actually happening are low. There are high expectations that forestry plantations will eventually consume most of the farming land in the area. The larger farms may continue to benefit economically. Smaller farmers are likely to be forced into selling their land to forestry out of social necessity rather than economic necessity.

## 3.4 Summary and Conclusion

Most people recognise that without forestry companies' investment the region would be economically poorer. Their business approach to the region, however, is considered to be the cause of some of the tensions faced by the expanding industry. The tension that has been

most prominent in the interviews is that which exists between the forest companies and the various contractors they engage. The primary issue has been that of contract rates and the low level of regard shown to the contractors by the companies. There is a feeling that the forestry companies are squeezing the contractors' margins to maximise their own. The low contract rates are seen to result in lower quality contractors undercutting serious long-term contractors. The low rates are passed on to workers for low per tree rates, with an emphasis on targets. A common belief is that quantity overrides quality in tree management. The workers are under pressure to make a living to support themselves and, in many cases, their families. The tensions from this are evident in the homes and some of the social problems being faced in the community.

The future of forest sector development is determined by several key interest groups in the region. Influential are the forest companies and the Gisborne District Council. These two key interests are attempting to negotiate the future of essential infrastructure needs, such as the roads and processing plants. While these negotiations occur there are other interests in the area, such as contractors, WINZ, schools and other training institutions, which are left with trying to tease out the problem of finding a capable and willing workforce to participate in forestry. There have already been rumblings that this is not their role. Questions have been asked as to why the forest companies and the Gisborne District Council are not more involved in this elementary factor that is increasingly growing to threaten the effectiveness of forestry and its benefits to the community.

It has been suggested that during some previous community projects focusing on development, the agendas of individuals and interest groups influenced the nature in which issues were addressed. This is not a problem associated with forestry only. A community feeling exists that the Gisborne District Council's performance has been inadequate, with there being a conflict of power players and people without the necessary ability to make decisions about the future of the region. Added to the communities' views are the beliefs that the forestry companies will pursue their interests at all costs. The major companies in the region appear to command varying levels of respect. Juken Nissho, mainly due to the presence of the processing plant, has a standing of community commitment. However, the pay rates of unskilled labour are often highlighted. Rayonier is seen as less committed to the region. They claim, however, that they employ just as many people in the region as JNL, yet the lack of a processing plant and a lesser public profile creates a more local view that they are here for their benefit only. The nature of a market economy and awareness that the primary objectives are focussed upon return on capital and profit are not lost on the community. The feeling of being, to the greater part, insignificant and mere cogs in the economic wheel of external business interests exists and may be underpinning the lack of support and commitment to the development of forestry in the region<sup>12</sup>.

The following chapter discusses the issues surrounding this lack of participation in forestry work. It looks at the implications of the lack of workers for the forest industry, and the various reasons that may deter a person from being involved in forestry.

<sup>&</sup>lt;sup>12</sup> At the East Coast Forestry Industry Seminar, Wairoa Mayor Derek Fox, challenged the forestry companies on the level of consultation that has occurred. He believed that there had not been adequate communication on issues regarding the roads and there had been a lack of encouragement in training. The objective of the seminar to highlight the need for a collective responsibility via a community and industry partnership was directly challenged.

# Chapter 4 Lack of Participation in the Forestry Workforce

#### 4.1 Introduction

This chapter addresses the issues surrounding participation in the forestry workforce. Alongside the concerns surrounding infrastructure development, the inability to establish an effective workforce is widely perceived as a major impediment to a successful forestry industry. The chapter establishes that there is a labour shortage and examines in detail the determinants of participation in forestry.

## 4.2 Labour Shortage

The present dilemma is that there are large volumes of trees coming on stream for harvesting. More workers are required for managing and harvesting the forests<sup>13</sup>. Without the numbers of *skilled* and *willing* workers to support the increasing demands, the trees may either not be pruned or thinned to maximise value, or harvested in time to receive the best prices, or both. Further, there is a call for more processing to be undertaken in the region. While having value-added work occurring in the region is deemed good for the local economy, finding the numbers of capable staff for the proposed processing facilities is a concern. Primarily, there are not enough people taking up or staying in forestry-related jobs, whether they are in the processing plant or in the forests. There are three types of shortage identifiable within the forestry industry:

- 1. Lack of an interested and willing workforce. The key word is willing. There is a low interest in working in forestry, especially in school leavers and unemployed people. There is a surplus labour force, although, for many, forestry is an unappealing alternative.
- 2. Lack of a trained workforce. There is a feeling in the forestry industry that costs are higher on the East Coast because the workforce is not as effective as in other parts of New Zealand. This has been attributed to the fact that forestry is new to the region and there is a low level of skills among forestry workers. There are concerns about finding quality people to work in the silviculture, logging and processing
- 3. Lack of management capability. Finding people that are capable in management and supervisory positions is reported as a problem. There is a lack of good foremen, logging crew managers and business managers. Companies have problems either finding skilled people in the region or attracting skilled people to the region. Graduates and trainees from outside the region are filling many of the key management positions.

Issues surrounding forestry labour have a high profile. These are mainly presented in the local newspaper. Before the arrival of the field researcher, there were letters to the editor and articles about how forestry contractors have been unable to obtain full crews of workers. The main complaint was that this should not be occurring in a region that has such high unemployment. The preponderance of comments, which were overall quite similar, suggests that the publicity given to the forestry employment issues has created a negative attitude towards those choosing not to participate in forestry work amongst many people in the community. The public reasons offered for this lack of lack of participation include laziness of potential workers; the work is too hard; there is an accepted culture of unemployment; the pay is too poor; skills are lacking; drug testing stops people; it is a dangerous occupation; contractors cannot be trusted; and, simply, forestry is an undesirable industry.

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<sup>&</sup>lt;sup>13</sup> There are four main groups of forestry workers: 1. inventory; 2. harvesting; 3. log makers, and 4. silviculture, including thinning, pruning, planting and spraying (weed control).

It is in the forestry companies' interests to have the required quality and numbers of workers on hand to do the silviculture, harvesting and processing work. Whether a tree is pruned on time is significant to the future value of the log. A contractor felt that there was a time frame of three to six months to prune a tree at the right age. Otherwise they lose the desired diameter over stubs (DOS) and log value is lost. Even now it is seen that there are not enough workers to prune the trees, and the peak in pruning has not yet occurred in the region.

Some people question whether any serious planning has taken place about how many extra people will be needed to undertake the increasing silviculture and logging operations, and where to source the needed labour. The ability of the region to supply a sizeable workforce in the future is doubted at multiple levels within the community. There are young people leaving school and there is the surplus labour represented by the numbers of registered unemployed. These sources are presently failing to supply the forestry workforce. Future improvements may be made to improve willingness to work in forestry, but a question about whether there will be enough and where the rest of the workers will come from has been highlighted by several people in the community. For example, a community worker and a local businessperson said:

Many of the forestry prospective employees are going to come from the youth of the region. Are there enough young people? Do they have enough qualities to be suited to forestry industry? Are they going to come from the right social environment that will provide them with the right attitudes to work?

A lot of statisticians will say, you have 4000 unemployed people in the region, if you only need 200 then what's the problem? It goes deeper. I do not think that certain people in certain positions in this community actually think it that far through.

The youth in the region are considered essential for the future forestry labour force. However, for many young people at school, forestry is the last thing on their mind. There are two main groups of students at local high schools planning their futures after school. The first group aims to do bursary and attend a tertiary provider somewhere else in New Zealand. In the same group there are those that will attend the local Polytechnic, though tending not to do the degree orientated courses. They are more likely to be students not doing bursary and more likely to do industry courses such as mechanics, tourism and winemaking. The second group comprises the higher risk students. They leave school without any real qualifications. These students normally end up in low skilled, limited tenure work and there are some that will sign up with WINZ. Only some will move into forestry jobs. Even the prospect of a person leaving the region for training elsewhere and then returning is not likely. In many cases, once a young person leaves the region they tend to stay away. Further, there is a noticeable "outflow of skilled workers" in general. Some commentators see this "brain drain" as a major problem facing the region.

A non-random survey of a sample group of 16 students at the local boys high school was conducted to establish an idea of whether they would participate in forestry, how youth view forestry, and where they obtain forestry information. Eleven of the sixteen students involved were not interested in working in the forests. The main reasons for not working in forests included the recognition that it was hard work, a general disinterest in forestry, the hours of work and safety issues. A common quote offered in the surveys was that the work was "not my style". Not one student out of this group of 11 students saw themselves living in the region in ten years time.

The remaining five students said that they wanted to work in forestry. From the five, two would attend university, two would seek further training out of the region and one would look for work in the region. Their reasons for wanting to work in forestry included getting "buff", that is, fit, seeing the environment, earning good money and that family had worked in forestry. Four of the five could see themselves living in the Gisborne and East Coast region in ten years time. However, since four would study out of the region if seems reasonable to conclude that some in this group would not return.

The students were also asked about the positive and negative features of forestry. On the negative side "hard work" was the most noted, with the long hours second. Other negative features include safety and money. Surprisingly, the best aspect of forestry work in their understanding was that there was good money in forestry. Other 'good' aspects included that the bosses were easy going and that the work was fun.

A final component of these questions focused on their sources of information about forestry. The greatest amount of forestry information was received in a informal manner through friends and family. The next highest information contributor was the media through newspapers, radio and television. The local newspaper was significantly the most recognised media source of the media options. The next information sources was through various careers advice, particularly that of the school. The lowest level information came through the forestry industry itself.

The results from the sample of 16 students cannot represent all students in Gisborne but they are indicative of possible general patterns. The results suggest that the majority of local High School students see their future away from the region. If the forest sector is seeking to gain recruits from local sources then a major change in attitude towards employment in local forestry will be needed.

Many other people focus on the high numbers of unemployed quoting that there are up to 4500 unemployed in the region<sup>14</sup>. A breakdown of unemployment statistics for the region were obtained from WINZ, as at July, 2000. The numbers of registered unemployed available for full-time work at each office were: Ruatoria, 495; Kaiti, 1,100; Gisborne, 1,586; Region Total: 3,181. Many community opinion leaders, therefore, see a surplus labour force and believe that forestry should naturally absorb many of the local unemployed.

After talking with many people involved with forestry, however, there is a wide belief that the forest worker is a rare breed. There are many determinants of the individual and the nature of forest work, to be outlined later in this chapter, which affects who can and will participate. For example, the following is a paraphrased account of a day's work as told by an ex-silviculture worker:

A forest worker is a special breed of man. A certain hardness, drive and heart is required. For many of the men the job involves getting picked up at four AM with a two hour drive into the forest (where you sleep), a full physical days work in the forest, with two half-hour breaks (if you want). You finish late in the day, have a two hour trip home (where you sleep). You go home make your sandwiches for the next day and you "crash" to sleep until you wake for the next day's work. Many men do this six or seven days a week. Men go into the forest in stinking

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<sup>&</sup>lt;sup>14</sup> Mayor John Clarke was on television's 'Face the Nation' on the day of the budget to discuss implications for the region. He quoted that \$2.8 million a week was paid to the local WINZ to pay benefits in the region.

heat and freezing rain. There is a mental hardness associated with being in the forests.

The same source relayed that a forester with over 12 years experience of contracting in the region believed that one in ten men had the right mental and physical attitude to do silviculture work. He was not surprised by the public complaint of one contractor in the newspaper that out of 11 people sent to him for work by WINZ, only one was suitable.

Examining the registered full-time unemployed statistics, and considering numbers of people capable and willing to work in forestry may dispel ideas that the region's surplus labour force will naturally absorb jobs created by forestry growth. In explanation, WINZ figures as at 31 July 2000 have 1,413 registered unemployed men between the ages of 15 and 39 work tested as available for full-time work. Men in this age group have been targeted as prime workers in forestry, as gender and age significantly influence ability for forest work. Applying the "one in ten" ratio means that of the 1,413 unemployed of the appropriate age and gender then only 141 people may actually be capable and willing to work in the forests. It is unlikely that this number would be enough to cover the predicted expanding labour needs of the forestry sector.

There are many opinions as to why people are choosing to be, or not to be, involved in forestry related work. In the community, some people are sympathetic to people choosing not to work in the forests, whilst there are others who condemn those that remain on the unemployment benefit. The following section outlines key determinants of participation that have been gleaned from the discussions in the community. Many are commonly held beliefs among the community. Others have a lower profile. Overall, the majority of the determinants highlighted are believed to apply to the range of silviculture work but may not apply to the more technical and professional roles.

#### **4.3** Determinants of Participation in Forestry

Most people admit that there are not many redeeming features in a forest job, particularly the silviculture work. Forestry work is hard and potentially dangerous work. It is demanding physically and psychologically. The nature of contract employment builds in the potential for elements of distrust. These features lead to a lack of stability in the forestry workforce, with very high turnover<sup>15</sup>. Many people talk about the starts at four in the morning followed by a two-hour drive in and out of the forests; a full, hard days work with tough terrain and the weather to contend with. People report that a full days work in the forest is the physical equivalent to half a marathon. This commonly accepted view is enough to prevent many people from taking jobs. There have been some positive comments, such as the work is outdoors and it helps physical fitness, and that with the right mental and physical ability a person can earn a reasonable income.

The following is an analysis of some of the factors that determine whether a person will participate or not participate in forestry work. These are based on many the conversations, interviews and observations from the field research. It is important to note that none of these determinants are claimed to be effectual in isolation. It is fair to say that when deciding to participate in any form of work a person must weigh up multiple factors relevant to that individual. Further, there is no attempt here to second-guess the social situations that may also feature highly in a person's decision to participate. For example, one forest worker said that he was not keen on his job, however he was out there to feed and clothe his family. This

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<sup>&</sup>lt;sup>15</sup> One person interviewed believed that a good keen successful worker would normally only last two to three years in the forests.

was his primary motivation. The factors highlighted here would, in various intersections and combinations, form the basis of an individual's decision<sup>16</sup>.

### **Wage Rates**

A silviculture contractor confirmed that a person who has built themselves up physically, which can take around six months, and with a solid work ethic, can earn up to \$800 a week in silviculture work. From this a person pays taxes plus the expenses of buying new tools or maintaining present tools. At the lowest tax rate of 19.5 per cent this means the take home pay is \$633 per week. A 1996 Liro study of silviculture workers in the East Coast region found that the average fortnightly take home pay for a worker was between \$600 and \$800 (Cummins and Byers, 1996). If we take the \$800 per fortnight in 1996 as a reasonable indicator of wage rates in 2000 then this comes to \$400 per week. It is likely that the average would be lower than the rate quoted by a contractor who was most likely referring to the top end of the scale. Thus wage rates for forestry workers are modest. If they work for 40 hours per week then their hourly rate is \$10. The LIRO study reported that the national average fortnightly take home pay for males was \$1,308, confirming that rates, in 1996 at least, were low. The same study found that there were considerable numbers of workers receiving wages in \$0 -\$200 bracket. Overall then these figures show that there are low wage rates for forestry work on the East Coast.

There were third party claims that some people can make \$2000 a week, though these claims came from sources outside of the industry. Apparently, \$2000 in a week is not impossible, however it would be an exceptional person doing planting that would be likely to obtain this amount. Planting is often described as the "bread and butter" of forestry work. Overall, there is a low assessment of what workers are paid in the forests, particularly for those starting out. A person involved in regional employment concerns stated:

The payment system is a problem. It is okay for those people who are skilled. They can earn a reasonable salary. But for what we are talking about – the people coming from an unemployment benefit who have not done forestry before and have got to learn the skills of the job, while on a contract rate. They are probably 30 per cent financially worse off for a start then they are on their benefit.

Most new workers start on contracts, which involves payment on a per tree basis, with bonuses for reaching targets. The target is where a contractor has agreed a price with the forest company on the number of trees to be worked in a block. In some cases there are penalties for not reaching target. Many workers are straight from the WINZ office and are not ready for the hard physical labour, and target expectations in the forest.

Many contractors, who are trying to maximise margins, are known to employ reputed "target hitters", that is, someone who can reach targets with quality pruning. A new, unconditioned person is likely to struggle to reach the target and are less desirable to employ as a result. While target bonuses are offered, many of the men do not make them. In some cases

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<sup>&</sup>lt;sup>16</sup> In 1996 Liro conducted a survey of 154 silviculture workers (Cummins & Byers, 1997). The research found that "just under 40 per cent of workers cited "outdoor environment" as their main reason for starting work in silviculture", while "34 per cent were involved because it was (solely or in combination with other reasons) the only job available". The pay was the third reason at 10 per cent. It is important to note, however, that this survey, when asking about the one main reason a person started working in forestry, only provided the options of "outdoor environment", "only job available" and "other". In this case the significant other is "pay".

penalties are incurred for not reaching target<sup>17</sup>. As a result, a new worker may work hard, but fail to reach target.

There are other technicalities in the negotiation of contracts outside the workers' control and understandings. For example, the contractor and the company agree to a figure of 350 trees at one dollar each. The contractor employs his crew on the basis that they will earn eighty cents a tree. After a block is done a tally is made of the trees that have been pruned. The tally may come to 400. The contractor is only going to get \$350 from the forest company for that block. The contractors recalculates and informs the workers that now it will be seventy cents a tree, or they will have to drop trees from their individual tallies. Many of the workers are not aware of this possibility.

A good crew manager will ensure that a block target is met correctly and that a good quality of prune is maintained. They will also send people back to do the better trees or redo others but this is of no extra value to the contractor or the worker. A worker many have a set number of trees deducted from his tally if one is found to be pruned to a poor standard <sup>18</sup>.

Contractors have also been known to make various other deductions, which workers were not initially aware. For an unskilled and unfit worker in the first few weeks of hard physical work, the pay packet may not be much better than the unemployment benefit. Many people are quickly disillusioned that after a week's hard work they may receive little more than what the unemployment benefit provides<sup>19</sup>. A proportion of workers will not stick at the jobs as a result. The following views from an ex-forestry worker illustrate the point:

If the money was better it might attract a few more. If they could make the same money they want now, easier. Instead of having to slave your guts out, because it makes you feel negative.

When you get what you feel is under paid, you get bitter. You just don't feel like working then. Stuff it. I am not going to slave my guts out anymore. I'll just cruise.

## **Physicality**

Much of the forest work, such as felling and pruning, is known for the high degree of physical effort required. The level of effort is undesirable to many who plainly see the work as "too hard". The physical ability of those expected to perform the work is of a standard, which when aligned with the pay rates, is considered to be under appreciated. interviewee relayed a common understanding in the community:

The pruning is hard work. It is dangerous work. And there isn't much money in it. You have do 120 trees a day to make anything out of it, and you have to go like hell to do it.

<sup>18</sup> For example, the field researcher witnessed two workers having had 16 trees taken from their individual

<sup>&</sup>lt;sup>17</sup> There are ways in which workers can falsely increase their work. There have been accounts of "ghosting", that is missing tree numbers – skipping from 56 to 60, for example – to make the final total look greater; "gully hunting", when workers deliberately prune the small trees - these people are called "rats"; and there are accounts of workers disposing of extra seedlings during planting.

pruning tallies for trees that were poorly pruned.

19 One extreme account from a forestry worker was that after a 50 hour week he received \$50 in the hand. He promptly quit and re-applied for the unemployment benefit. This particular individual is currently investigating the cable logging course at Tairawhiti Polytechnic.

A story was relayed by an ex-silviculture contractor about silviculture workers participating in another Liro study. They set up workers with heart monitors and tracked them for a week. In the final report the workers studied were likened to triathletes in the amount of energy they expended each day. Other views compare a day's work of pruning trees to running a half marathon. There have been claims that there is a high burnout rate for workers as they continually exhaust their bodies.

There have been some positive comments about the physical nature of the work. One worker was proud of his physical fitness established and maintained on the job. The same worker, however, was wary of participating in sports, as he could not afford to injure himself and not work.

There are claims that given time almost anyone could condition themselves physically to forest work. Even people working in the most physically demanding jobs, such as silviculture, believed this to be true. The decisive feature, however, is that many people may not have the mental ability to endure the conditioning period.

## **Mentality**

Many comments were made about the mindset of people undertaking forestry work. There have been detrimental comments from people outside of the industry who have seen the forest worker as having to be "thick to put up with those working conditions". When talking to a group of people that were working in silviculture about the conditions of their work, a comment was made that they could not afford to complain, as a negative mindset would mean they would not make it in the job. This psychology of the job was emphasised several times. One comment from a silviculture worker implied that it was a case of mind over body.

It is as much mental job as it is physical job, mainly mental that you have to train your mind not to dislike the job. Then you can let your body focus on the work.

## **Contractors' Reputations**

A large amount of the blame for the region's image of forestry and why people are not working in forestry is directed at contractors. It has been stated that there is a shortage of reliable contractors in the region. One informed observer felt that there was only "half a dozen" reliable contractors in Gisborne. Reliable contractors seldom need to advertise for staff. Once a worker gets a place with a good contractor they are likely to stay there. Many contractors are viewed as inadequate businessmen, with bad attitudes and unscrupulous ethics. There are problems with some contractors being unable to pay regular wages. Prospective workers will, in many cases, choose not to work at all rather than work for a contractor with a poor reputation. A WINZ representative summarised the situation:

Most of the problem lies within the forestry contractors themselves. The reason for that is, because of the tendering process, some contractors who are not necessarily sufficiently skilled in business administration are not fully understanding of the tendering system. They then find that they put in a price that they only stand to lose money with and consequently - performance – and the payment process for their workers suffer. The ones who are organised and fully understand the tendering process seem to retain their staff.

For a few, the reputation of all contractors is bad by varying degrees. One person relayed what they understood to be a common attitude that "it is not a matter of finding a contractor that won't rip you off, it is a matter of finding a contractor that will rip you off the least."

## **Promotion of Forestry Work**

Apathy towards forestry appears to exist amongst some members of the community. There have been claims that forestry is "something that goes on around me, but does not affect me". There are people who do not care about forestry. They are uninterested and any prospect of working in forestry does not exist. This occurs on many levels, from school students, to unemployed, to people looking at career changes. The image of forestry is not sufficiently positive enough to entice people to even think about a prospective future in the industry. This is particularly noticeable in youth still at high school.

Forestry is perceived as not being promoted in a positive light. Representatives from local schools and WINZ offices have stated how the industry requires better promotion if people are to be encouraged into jobs. Some are wondering why it has been left to them to perform the public relations for the industry and believe that the forest companies, contractors and local council should do more to entice people into work. The following quotes are from a mother and local businessperson, and a careers advisor at a local high school:

We need to be educating the people in our schools and telling them that forestry is a sustainable resource and that it is a crop that New Zealand can grow legally and export. I think forestry has had a bad rap and that people need to know you can be a professional person in the forestry industry.

Currently, the attitude of a lot of people in the area, which is not entirely positive, has put our students off as seeing forestry as a viable career option. They have regarded forestry as not paying very well and not being a good work environment. A lot of forestry workers have been screwed in terms of hourly rates, and our students know about those types of things.

The profile of forestry amongst high schools students is not high, and there is a feeling that the industry needs to do some work to alter its poor image in the eyes of their prospective employee base. As one school representative stated:

I don't have kids jumping up and down saying forestry is going to be the greatest thing out. It is not seen as a great career opportunity.

An example of what some positive promotion can do was relayed by another career advisor who said that after a recent television news item on the need for people in forestry, six students approached her with questions about the forestry industry as a career option. She explained further:

We need to see people from the forestry industry coming into our schools. They need to market themselves. Sell themselves. Show our students that they can have a reasonably secure future within the forestry industry. Show them that it is an economically feasible way to go... It is no good just sending us information on paper... we need people fronting up.

#### **Culture of Unemployment**

A strong community feeling exists that the availability of the unemployment benefit contributes to the lack of desire to work in the forests. The belief is that a new culture is emerging that of the "third generation unemployed" and that the benefit encourages people to be "lazy", particularly in the youth. From school they see friends and family on the benefit who appear "rich". There is a feeling that receiving a benefit creates no desire or real need to work. There is a negative undertone to this culture amongst many of the working population

in the region. A generalisation is formed in many cases meaning that the bulk of unemployed are subject to the same views. The following quotes are relatively mild representations of popular community perceptions about the region's unemployed:

It is second to third generation in some cases. There is no expectation of work. Years ago while you were at school you thought about what you wanted to do then you went out and did it. Now, when they are young they may want to do something. As they get older they see all their friends bumming around town on the dole. They go and drink. The girlfriend gets pregnant. She can go on the DPB, and I'm on the dole and have a wonderful time

A lot of people just don't seem to care. They have the money for their box of Steinlagers and that is it. Most of their partners are on the benefit. They officially don't live at the same address. That's the way it is...

This culture is becoming more evident in the community's youth according to some observers. A Maori woman with family in the region emphasised that she saw many of this generation's youth as too lazy to work, and that this was affecting the numbers in forestry work. The belief is that there is a youth culture coming through of not wanting to work, with benefits being very real options. There was an account of a group of schoolgirls in a café discussing the options for one of them. There was a very real contemplation that getting pregnant was a way out of school, away from work and with financial security. For the many younger males the options are either they enter the workforce or receive a benefit.

There have also been comments that there is a level of respect missing towards workers and the unemployed. The following quotes are come from a mixture of representation within the community. The first two are from contractors sympathetic to the workers and the third is from a community development worker:

It is the amount of respect they are given and the amount of money they are given at the end of the day. They demand respect these guys. They are proud. If you treat them like second class citizens you will get a second class response.

Looking back over time, when there wasn't a great deal of work the companies tended to work on a policy of keeping the price extremely low. And referred to the workers as non-essentials, in a sense, they could be replaced. 'There are plenty more of them where they came from' attitude. Things have changed now, in that the work now is – there is heaps of work and not so many workers left. Now the contractors are turning around and saying look for once in our lives we want to be paid what we are worth. I have had forest companies say to me, 'all contractors are liars and their workers are worse. In other words, they treat the workers with very low esteem. That doesn't do the worker any good, believe me.

[There is] an incredible strain on those that are unemployed. Because they say there are jobs out there why are people not doing them... There is no incentive for them get off the benefit. In some ways that creates a negative attitude. Both by those who are employed, in so called good jobs. They say 'why aren't people out there doing these jobs?'

#### **Drugs**

There are concerns about the effects of drug taking, either in the forests or at home, on workers' ability to work safely. The forest companies have brought in requirements for drug

testing of a worker before they will be employed. The following list illustrates prominent themes emerging regarding the impact of drugs on the forestry workforce.

- The prospect of a drug test puts many of the prospective employees off forest work.
- Contractors have had problems in finding 'clean' workers. One person told of one contractor screening nine men and not finding one drug free.
- Random drug tests are not stopping some men from using drugs in the forests, therefore safety and productivity issues remain.
- There are accounts of some contractors paying men in drugs, or trading with workers. For example, one account told of how a contractor would offer that out of five days in the forest, three days are for pruning and two days for tending personal marijuana crops.
- The perception of the drug culture, and the shortage of workers, is extended to popular community beliefs there are too many people on "dope" to bother looking for work.

There is, however, a tolerance by some that see the issue of drugs as irrelevant. One person who has been involved in forestry for some years stated;

A lot of the people on the Coast smoke dope. But it does not affect their performance... It might make them a little dull, but they are still very good workers... When you are in an area that is so predominant with dope, you have to accept the fact that there is a percentage of a gang that are going to show up *slightly under the influence. But it doesn't hinder their performance.* 

## **Social Stigma**

The wider community appears to place a low social value on people that work in forests. There are certain public perceptions about people working in the forests. For example, one person stated with confidence that "all forest workers are druggies". If a person takes a forestry job they risk being placed into similar generalised categories. Some people may avoid these public perceptions by not working in the forests.

There are aspects of stigma associated with succeeding and not succeeding in the forests. For example, there is a culture among men which emphasises the importance of proving themselves. There was an account of men who aim to "smash" a block, that is, work it quick and hard. A person that can do this is known as a "smasher". Further, the aim is not to just smash a block but to "smash the smashers", that is do better than a person who can smash a block.

There was also an account of the opposite, that is, when men "blow up" in the forests. When a man cannot hack the work in the forest and decides to stop, they are subject to "boom" calls from the men in the forest<sup>20</sup>. The "boom" is reference to their "blowing up". These calls not only occur in the forest. A person may encounter these in the street if recognised by workers as someone who "blew up". This indicates a stigma of being a person who cannot make it in the forest. Contractors indicated that the hard time given to those who fail in the forests normally come from the older, more established men in the crew, and is aimed at younger, new workers in a crew<sup>21</sup>.

<sup>&</sup>lt;sup>20</sup> It is well known that men that do not make it in the forests are often left to their own devices to get out of the forests, that is, by walking out. It is unlikely that they will get a ride home with their or any other crew coming out of the forest blocks.

<sup>&</sup>lt;sup>21</sup> There are also the "rats", or gully hunters who prune all the smaller trees so they do not have to use their ladders, and the "old dogs", older men who have been doing the work for along time.

A person choosing to work or not to work in forestry faces several forms of stigma. There is the stigma associated with doing the work; there is the stigma faced by failing in the forests; and there is the stigma of not being employed. A person has these public perceptions to contend with when reviewing whether forestry work is for them.

## Cost, Location and Hours of Work

For some unemployed, it is not as simple as taking the jobs that are becoming available through forestry. There are the associated costs that may prevent a person from working. There are costs associated with acquiring the equipment needed and the training required. Once working, a person will encounter costs of travel, maintaining their equipment and food and drink. A Gisborne community worker explains:

They say 'why aren't people out there doing these jobs?' They fail to understand that people don't have the vehicles, or tools, or whatever to get to the jobs. For some of them, they may well of gone through course and be trained to do it. But, at the end of the day can they afford to do it if they have a family, or they are already receiving an income that they are able to live on? If you have a family, you may not match what it takes to support your family, taking into consideration the income and all the hidden costs associated with the work.

It is understood that some agencies are working to make the transition into work an easier financial possibility for some workers. WINZ, for example, provides start up grants that assist in purchasing the equipment a person needs to start working the forests.

The distance many of the contractors and workers travel to the forests for work is another determinant<sup>22</sup>. There are accounts of some crews that travel from Gisborne to the Rip, near Ruatoria, everyday. The prospect of the additional unpaid travel makes the work not worthwhile. Added to the issue of location is the relevance of the terrain where the work is located. Steep terrain and blocks inaccessible by vehicle are less than popular.

There is another potential issue for forestry companies with workers who commute to areas such as Ruatoria from Tokomaru Bay, Tologa Bay and Gisborne. One ex-contractor describes the situation.

We are going to lose contractors from the Rip in Ruatoria once the logging starts in Tologa Bay, because they only have to travel half an hour as opposed to two hours to work. They know this problem exists. As soon as the logging starts down here, they going to drop tools up there and move down. They are going to have to get new contractors from the South Island or somewhere to go up to the Rip. That is inevitable.

A day at work can be long for some forestry workers. Depending on the type of work, there are various starting times. There have been accounts of logging truck drivers starting at midnight and two o'clock in the morning<sup>23</sup>. For silviculture workers the days are, on average, nine hours long, with the most common work day being from 7 AM to 4 PM (Cummins and Byers, 1997: 22). Silviculture workers are not paid for travelling time, yet may have to face 1.3 hours travel each way (Ibid.). Unofficial accounts suggest that a worker may spend between three to six hours a day on the road. This is not conducive for many as it

<sup>&</sup>lt;sup>22</sup> Fifty six per cent of silvicultural workers live in Gisborne (Cummins & Byers, 1997: 12).

<sup>&</sup>lt;sup>23</sup> One logging truck driver told of starting at midnight and finishing at one in the afternoon. His wife also works, therefore he looks after and cooks for the family. Asked when he slept, he joked that it was a rare event.

may mean for up to 14 hours on the job with only the eight hours paid working time. A contractor explains the situation for some of his employees:

We have people getting up at two o'clock in the morning. Getting back here at four in the afternoon. We know from experience, that you have to knock off by four o'clock, be in bed by 6.30 or 7.00 PM. That is hard to do in a place like Gisborne, particularly in the summer. That goes back to the type of people we can employ.

## **Distrust of Industry and Differences of Expectation**

The disestablishment of the New Zealand Forest Service in the 1980s and the privatisation of forestry has led to feelings of contempt and distrust of the forestry industry. A long time East Coaster observed:

When the forestry came in there were great hopes with the government run forestry scheme, right up to 1983. Then the Labour government decided to sell the forests. That was a major error in my opinion, as far as employment. A lot of Maori had come back here and they came back from the cities, they'd taken out a mortgage and basically they had lost everything. They built a home and suddenly there was no work.

As a result many families have members that have had bad experiences with forestry. There is a belief that they pass on this attitude to their children encouraging them not to be involved in forestry work. A community worker, with experience on the East Coast and in Gisborne, explained:

First of all, the people have a chip on their shoulder about the government shutting down forestry in the first place. So, how are we going to get them to go back and say that it is not going to happen again...?

They have soured people. They have been there done that and don't want to go back. They would sooner sit at home and collect their dole money.

In the disestablishment of the New Zealand Forest Service, and the changes in the way the forests and related work has been managed by the forest companies, some people see that a gap has emerged in the expectations of the employers and the workers. The workers, those familiar with the way things were, expect that they deserve certain levels of consideration<sup>24</sup>. The employers view it differently. The misunderstandings create a barrier to some people coming back into forestry. There are also elements of people who believe they can obtain the better jobs straight away, while others see that people still need to earn positions. Two regional observers outline their opinions on this matter:

People these days think they are going to walk out of school and have a top paying job. No way. They have to do an apprenticeship first. They have to sweat for a few years.

<sup>&</sup>lt;sup>24</sup> One person felt that the new era of forestry places a greater burden on the men working in the forests. In the days of the state run forests, work would start at 8am finish at 4pm. They had weekends off and earned an hourly rate. When the new system of forestry evolved many people in condition moved through to the longer hours, longer weeks, harder work, contract conditions reasonably well. Now, however, people do not have this

Some people's expectations are just way up in the clouds. They think that jobs are just going to fall out of the clouds. But, if you are not skilled you are not going to be employed in it. And, to get skilled you have to work a minimum of two or three years in the job. Forestry is quite high risk. There is a lot to learn. The training courses are there. For people to start off in the logging industry, I can see how they can move into the processing industry, because they have a lot of the basic skills. But, to walk off the dole queue into a job, I don't see that happening.

A local businessperson working in the forestry sector reflected on how things happened before privatisation, as a possible means for assisting people off the benefits and into work:

The biggest problem here is that the privatisation meant a whole pile of people were employed that nobody else wanted to employ. Ruatoria is a good example, I assume that many of the people were previously employed by the government. They were picked up at eight in the morning and dropped off at four in the afternoon. For 40 hours of the week. We either pay them the dole or we pick them up and make them do something. In some ways that was a good system. It made people do things. It kept families together. People had a job no matter how bad it was. It got them out of the house, and gave them a bit of pride. It is better than just sitting at home, as that is just soul destroying.

#### **Stability of Industry**

The Asian crisis in 1997 emphasised how fickle a situation the region is in regard to global economics. The crash lowered log prices and some companies in the region were forced into selective pruning operations, while some harvesting operations stopped. There was considerable talk of contracts being withdrawn overnight as a result of the sudden decline of the Asian economy. There were contractors forced to shut down, and employees losing jobs without warning. This brought home the reality of the global market for forest products to people working in the industry. The trust that was mentioned in the previous section was further damaged. A local observer noted:

Since the Asian downturn guys have said I've had enough. Contractors are saying I'm out of here. They've lost homes some of them. It had a big impact. We are still getting shock waves from that here.

# **Family Influence**

The following are examples of how the family can influence a person's decision to participate or not participate in the forestry industry.

If I was given the option of my son going to work in the forestry, I wouldn't want him to, to be honest. I feel I have to explain that. I admire them...because working in the forest is a bloody hard job. And you need to be committed and you need to know what you are doing because it is dangerous. If I had the choice, I would not send my son to chop down trees and work underneath the hauler. I would probably wimp out and say nooo, go and get an office job. (Laughs).

I know that the other women involved in this, for example our employees wives, they're quite proud that their husbands are working in the forest industry. Some are just proud that their husbands are working.

## Gender, Age and Race

While forestry work does not target specific ages or genders, the nature of the jobs effectively determine who is eligible for the work. Much of the physical work in the forests is deemed to be male domain. There are accounts of female loggers and machinery operators. In the unskilled labour area it is in the processing plant that most women in the industry are employed. There are women employed in administration and office supporting roles, and there are women in management positions in the forestry companies. In some cases a woman's role is that of the wife of a contractor with office and management involvement on an unpaid basis. The roles for women are not promoted by the industry. When speaking to a representative of the local girls' High School it was relayed that young women leaving school have never expressed any form of interest in the industry. A woman involved in forestry and a careers advisor comment on the role of women and the how the industry could react:

From a woman's perspective, if we made more of an effort to let the general public know what the forest industry is all about. It is not just about contracting. I mean, the editor of the forestry magazine is a woman. The lady who does dispatch, who tells the truck drivers where to go all day (I'd like that job) is a woman obviously.

If they could actively promote feminine roles within the industry, that would definitely be beneficial. Maybe they should look at their marketing differently if they are trying to entice females into the industry.

Throughout the industry there are people of varying ages. The area in which age is the major restriction is that of the more physical work in logging and silviculture. A man in his mid forties expressed that it was his body that made him cease silviculture work. However, there have been cases of men nearer their fifties, "old dogs", still pruning trees. The 1996 LIRO study (Cummins and Byers, 1997) reported that that the average age of a silviculture worker was 26 years, in a range of 16 to 49 years of age. A scenario offered is that once a person is too old to work in the forest they should be able to move into the processing plants.

While the workforce is highly populated by Maori<sup>25</sup>, it is not considered that ethnicity is a reason that determines who can and cannot work in forestry. For example:

I imagine you would be looking at the guys pruning and planting. I imagine that employment group is predominately Maori. In part it is due to where the forestry is occurring, like up the Coast. Like I said some of the training programmes focus on Maori. I would also imagine that that sets up a culture. Forestry is something that people in the whanau are doing. Therefore, there is a greater chance the other people will move into it because another family member is doing it.

#### **Seasonal and Other Work Alternatives**

There are workers that are employed all year round in the various seasonal work options available in the region. Forestry is just one option for many. It is well known that some of the other seasonal work pays better than the forestry work and is easier, so when the particular season arrives there is an exodus from the trees. The inconsistencies in the pay rates between the various seasonal industries are not missed by forestry employers:

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<sup>&</sup>lt;sup>25</sup> Seventy two per cent of respondents in the 1996 LIRO study were Maori.

...they leave the forests in droves when the squash season starts. They just walk out enmass to go picking squash... and they go back when the squash season is over.

If a guy is worth \$200 a day picking squash, why isn't he worth \$200 a day, this is the same guy as they do seasonal work, worth that pruning a pine tree... The moment apple picking comes you lose half your gang to apple picking, and if you are lucky enough to keep the other half you lose them to squash picking. Because it is good money and they like a change [and it is easier work]. If they were paid equally we could carry on. We are all competing for the same workers

For some prospective employees there are other jobs prospects more appealing than forestry. A television item on One News recently highlighted that more people were heading into IT based jobs and less into the primary jobs, such as forestry. An employment advocate pondered this very situation:

I wonder if through the education system whether because we're gearing up to a lot of IT, whether we are actually promoting less strenuous work. They say that we are all getting fatter and lazier. So I wonder whether we are actually promoting more of the sedentary type of work, because we are talking about computers and lots of IT and that stuff. And, we actually don't promote to kids in school careers in physical, demanding types of jobs.

## Lack of Management and Willingness to be a Supervisor

As mentioned at the beginning of this chapter there is a shortage of people capable of undertaking the more 'responsible' positions in the industry. Depending on the level of supervision and management, there is an element of people in the workforce who, while personally capable of undertaking a supervisory role, see that being in charge of a crew or their mates is a compromise and "stress they could do without". The companies and the contractors are struggling to fill these positions. There is a general education and skill problem here, though lack of willingness features again as a reason why people do not wish to advance, or take on further responsibilities. A large employer of forest workers stated:

We can't find management material... A lot of them shy away from it because of the man management skills. They are quite happy to be a part of the team, but not actually take responsibility. I think that's what it comes down to. Not really wanting to take the responsibility.

# **Compromise of Lifestyle**

There is a strong feeling in the community that many people do not take up employment as it compromises their lifestyles. This is said to occur in East Coast communities. A WINZ representative outlined the general belief, which was voiced by many others during the research:

People do not move up there because they want to work. They move back up the Coast because... the lifestyle suits them. That's maybe where they were born and bred. They've gone back to family. But, unemployment up there is so high, that I don't believe anybody moves up there because they think if they move on the Coast they are going to find a job. They go back... to live in their family homes,

to live off the land, do some diving. They are quite happy and probably can manage reasonably well on the benefit.

There were no accounts from people who make the 'lifestyle' decision. The anecdotal evidence provided by third parties does tend to combine the lifestyle issue with availability of the unemployment benefit and access to "dope". Some other people see that the decision not to enter the forests, after considering the basic dimensions of poor pay for hard work, is in many respects a sane decision. This perspective is often overlooked<sup>26</sup>. Opinions on what it means to live off the land are often not complimentary. These quotes from community members act as examples.

It is definitely to do with money. It is to do with the fact that the difference is not big enough. If you can get enough money to have a few beers and go crayfishing and enjoy the wonderful coast life, and some of the ones that like to smoke marijuana and grow a bit of that. Who wants to work? The difference is maybe only \$10 a week. That's not the only reason, they've also watched their fathers and grandfathers do it.

Some people don't want to work in the forest industry because it's a hard job. You need to be fit and you need to have your wits about you. And, if you are used to sitting around and smoking dope all day because the government gives you the money to sit at home and do that. Why should I go and work and sweat in the forestry and work in the rain and snow in the winter time and get dehydrated in the summertime. And travel an hour in a dirty old bus to work and an hour back and river crossings. And my wife is nagging me because I am working six days. Bugger that I am not going to work in the forest industry, I'll go somewhere else.

## **Qualifications, Skills and Training**

On more than one occasion it has been suggested that one reason some people are not working in the forests is because they now require "tickets", that is, qualifications. When speaking to a person once involved in semi-skilled labour on the Coast, it was mentioned that people often have the skills, and would like to work, though the thought of having to prove their ability via a piece of paper was not appealing. There were stories of some people that acquire work skills in unofficial ways, such as a friend showing them, that are capable of work yet feel excluded due to the necessity of a qualification. Further, within the industry there are people already working that technically should not be. One forest worker stated:

We haven't got thinning tickets or anything. We can do it. We've got experience in what we are doing. Quite a bit of it, but we haven't got around to getting a bit of paper saying we can.

Vital to the future supply of workers are the efforts undertaken within the region to create and enhance the current and potential workforce. More people are admitting that the once deemed 'unskilled' jobs in forestry are now being viewed more as skilled jobs<sup>27</sup>. Forestry work, whether it is harvesting, silviculture or in the processing factory, requires skills. Some

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<sup>&</sup>lt;sup>26</sup> On a field trip up the East Coast the field researcher visited the Tologa Bay Wharf with a friend. On the wharf there were around a dozen people fishing. This was mid-week and most people appeared capable for work. The friend spoke of one woman fisher he once met who said 'why should she work like the Pakeha when she could live off the sea and enjoy the nature?'

<sup>&</sup>lt;sup>27</sup> A story from a school told of a large forestry employer that stated they did not want unskilled, uneducated labour. They wanted people with UE physics and maths for truck driving. It is understood that this was not a concrete policy statement, but more of a statement of preference.

people claim that the skills required in silviculture, for example, the need to know what trees to prune and thin, are often underestimated. If a person does not have the right skills they stand to either miss out on employment or earn less than what is possible in the contract jobs. A forestry person said:

Logging is a skilled operation. Same with silviculture you have got to have a certain level of training to do it properly. Because you have to select the best 30 trees in an area of 100 to prune or thin. When you replicate that 1,000 times and you look at so many trees a hectare, you have got to know what you are doing. It is a skilled job.

The forestry companies are beginning to stipulate to the contractors that the workers are to all have General Requirements<sup>28</sup>. It is believed that not all the workers are gaining the General Requirements, as some contractors will take workers on saying they will train them, but fail to do so.

The complaint amongst the major employers in the region, whether they be forestry companies or contractors, is that they have problems in attracting quality people. The region it seems is short of desirable employees. On several occasions, from very differing sources, there have been accounts of workers whose 'faults' are based on their lack of fundamental social and life skills. There have been accounts of people being unable to provide basic personal details; people having to be shown basic skills such as personal hygiene and how to open bank accounts.

There are training programmes available at various levels, which are funded and administered by differing sources. Some of the local schools provide basic skills courses, which tend to be under attended. The Tairawhiti Polytechnic's Rural Studies department offers six-month training courses. Work and Income New Zealand (WINZ) and Skills New Zealand fund forestry training programmes. The Forestry Industries Training (FIT) body liaises and runs a general requirement and increased skills courses<sup>29</sup>. Also the two local Runanga are involved in offering forestry training to local Maori. On-the-job training features in official and unofficial capacities, though official FIT approved trainer assessors can ensure that workers are correctly obtaining the recognised qualifications.

One interviewee noted an inconsistency in the funding and training of workers in the region. WINZ subsidises an on-the-job training scheme for silviculture over a period of 12 weeks, while the local polytechnic has a 23 week training programme for similar work for which full student fees are paid. Another prospect, more relevant to silviculture, is that of entering directly the job site and receiving on-the-job training. A crew supervisor spoke of how he would closely follow the new guys for a few weeks, and in that time the workers would be achieving desirable rates of improvement. Thus there are different perceptions in cost and speed that workers are able to move into the forests with an independent earning potential. From a course provider perspective, the aim of training is to assist people in hitting "production rates" straight away once they are in the forests. The skills that are learned do not necessarily take a full 23 weeks to develop, instead the length of such a course aims to help condition the body. However, training before entering work is not so highly appreciated

<sup>&</sup>lt;sup>28</sup> General Requirements are eight unit standards: two First aid; two Health; two Safety and one each for Communications and Fire-fighting.

<sup>&</sup>lt;sup>29</sup> The longer term success rates of a training course was monitored by WINZ and Skills New Zealand. From 35 participants that completed training in 1999, 12 months later only four were unemployed, two of the four were out of the labour force altogether, therefore only two of the 35 were on WINZ's unemployment records. The remaining 31 can be assumed to be in paid employment.

by those that take on board the fresh graduates. Two people that have roles in supervising silviculture crews were not convinced that people straight out of training were worthwhile workers. There were suggestions that some people had to be retrained, as the following contractor stated:

If they had been at the Polytech the only benefit is that they would have their gear, basically we would have to retrain them. They would pick up a lot of bad habits. I don't know why. They still seem to think in a school sort of an attitude that it is a game. It will take them that six months, where they could have been with us anyway, to build themselves up. There are a few that come out of them pretty good. It is the work attitudes that are hard to find in people.

A regional businessperson further typifies this form of commentary:

The forestry contractors are not terribly chuffed about taking on someone that hasn't got experience. The only way to get experience is to do the job. The pay is pretty low for someone who is not quick. You have got to work like hell. A lot of them can get that kind of money on the dole.

As highlighted several times already, a main contributor to the lack of workers in the industry is the poor money paid to workers, particularly those new to the work. WINZ is keen to see this trend reduced. They advocate a training wage, as opposed to a contract, for new silviculture workers. They propose this wage be paid until a person is at a level with which they can earn a reasonable income for their efforts. This would mean that there was a financial incentive, at least, for workers to stay in the job while they learn the trade.

## 4.4 Summary and Conclusion

In summary, the shortage of labour is often talked about in the region. There are three types of shortages: lack of interested and willing workforce; lack of a trained workforce; and lack of management capability. Most youth appear not to be attracted to forestry work and few of the unemployed are suited to forestry work. The factors that determine whether a person will be interested in forestry are complex. The prominent determinants are many, including: money, physicality and mentality required, reputation of contractors, promotion of forest work, culture of unemployment, drugs, stigma, costs, location, hours of work, terrain of work, distrust of industry, qualification skills requirements among others. There are so many negative factors at work that it is not surprising that here is lack of participation in the forestry workforce.

There appears to be a gap in understanding of skills levels required. Many key regional development decision-makers see that forestry will provide opportunities for the unskilled workers, whereas the industry itself calls for various skill levels, which leaves many people out of consideration for the jobs created. This flows onto another issue: people with the lower skills are forced to take less desirable jobs that tend to provide low rates of pay. The skills expectation gap is compounded by another gap in the labour force. Little consideration appears to be given to the potential workers' compatibility to the jobs and their willingness to undertake the work. Many key community decision-makers witness high unemployment figures and assume that the increase in forest jobs will naturally absorb the surplus labour force. This chapter also highlights that there is an underground labour force developing in forestry where people are working in forestry but are either unqualified for the work they are doing, or working unofficially, that is, being paid under the table, or both.

There are many suggestions from within the community on how to overcome the labour shortages. These include increasing training in the region and importing labour from outside the region and New Zealand. There is a feeling of resistance in the community to outside workers taking work from those already in the community. It is recognised by more market oriented people that if the labour force in the region is not capable of doing the work, then the forestry companies have reason to seek the outside labourers. If the labourers cannot be found in New Zealand then the call for overseas labour is also a possibility. It is important to note that such an outcome would be a consequence of the region's socio-economic conditions and approach to organising work within the industry. There have been a few suggestions that it is the nature of contracting which directly affects who works in the region. The forestry companies will contract whoever is cheapest. Where the contractor comes from and where they get their labour from may not be an issue to the companies. Based on current efforts, the Gisborne and East Coast region may not be able to cater for the size of forestry that the planted volume of trees will demand.

Not only is there an issue surrounding the regional capacity to cater for the future forestry labour requirements, questions have been raised about the nation's capacity. Added to the shortage of immediate forestry labour, the needs of the supporting industries and normal community-based business are worth reviewing. One local forestry manager claims that over 12,000 additional jobs in the community could arise if forestry was to develop its potential over the next 20 years. Where are 12,000 people going to come from, even if this is a generous figure? Compound this with expanding forestry in the rest of New Zealand, then it is likely that there is going to be a larger skills and labour crisis facing forestry on a national level.

In the final chapter there is a discussion of the impediments to forest sector development as identified in this and the previous two chapters. It then outlines possible means of overcoming the impediments based on suggestions gleaned from people in the region during the field research.

# **Chapter 5 Overcoming Impediments to Change**

#### 5.1 Introduction

This chapter summarises the previous chapters, leading to an analysis of the research findings. The focus in this chapter is on the perceived impediments to the development of forestry. After outlining the research findings, this chapter discusses the impediments to change and offers suggestions on possible directions that may work to overcome them. The primary issue is the capacity of the region to adapt to forestry growth. The increasing volumes of logs are placing pressure on the capacity of the region's infrastructure, workforce, public opinion and politics. Lesser impediments are implicated in the capacity dilemma and these include: the lack of a joint industry and community participation process in the development of forestry; the poor image of forestry that is negatively affecting the level of community support and involvement in forestry; and the exclusive reliance on a competitive market structure of employment, which is already showing signs of stress through the nature of the contracting system and the payment of workers. The chapter finishes with suggestions on future research topics that may further assist the region in understanding how to respond appropriately to the growing forestry industry.

# 5.2 Overall Summary

The main objective of the field study was to describe the Gisborne and the East Coast community's attitudes towards changes in land use from farming to forestry. A minor objective was to examine what is impeding forest sector development, with a particular focus on individuals' reasons for participating or not participating in the forestry industry and the associated phases of production. This report presents the attitudes and characteristics of forest industry interests and community members. These attitudes and characteristics are discussed in terms of the issues that are perceived as impeding the development of forestry in the region. These include the inability of decision-makers to overcome infrastructure concerns, lack of workforce participation, community tensions and community misunderstandings.

The impediments to, and consequences of, changes in land use in the Gisborne and East Coast region have been discussed in this report. The commonly acknowledged issues in the community are infrastructural concerns, social cohesion implications on rural and urban communities, economic impacts on the farming and central business districts, environmental considerations, plus political impediments as evidenced by the tensions within the society and the forestry industry. The issues interact to influence the community and the shape of the forestry industry in the Gisborne region.

It is widely accepted that for forestry to develop efficiently, considerable infrastructure improvements are required. Often discussed are the needs for roads and processing plants. Most forestry companies see that the current conditions of the roads are adding considerable cost to the logs being brought out of the forests. This added cost has contributed to the decision not to process in the region. The Gisborne District Council see that having the value-added processing occurring in the region is essential for economic and employment reasons. They have set aside land that should be able to be built upon if a company decides to establish a processing plant. Meanwhile, the forest companies are still waiting for the roads and other infrastructure facilities, such as port improvements, before further consideration of value-added work can occur. There is the possibility that even if there were the roads and port in place the global market conditions would still not suit setting up processing in the region. Contributing to the complexity of the future of infrastructure

development is the recognition that the area is lacking a skill base that would be able to fill the labour force required if processing were to occur.

There appears to be a low level of support for forestry amongst many sectors in the East Coast and Gisborne communities. There is a proportion of community that view an expanding forest sector and associated spin-offs as in the community's best interests, because they will provide jobs and involve capital investment. However, there is a sizeable proportion of the population that do not have confidence and trust that forestry will be to their benefit. There are many who feel that forestry is a "rich getting richer" activity, with little consideration for the people and the land of the region. The lack of support also stems from the history of forestry in the region, as many people have been adversely affected by forestry reorganisation in the past. Further, there is a degree of misunderstanding about what forestry means to the current and future social and economic state of the community.

The community itself is under strain. The strain is not necessarily arising from the change in land use in the region, that is, the increase in forestry. However, forestry is a contributor to the current state of the community. Forestry is linked by people to farmers leaving parts of the region, most notably on the East Coast. There is a consequent feeling that the expansion of forestry has destroyed the social fabric of many rural communities. The local economy is affected as some farmers take their money from land sales and leave the region. An issue raised by some people is that the social tier of volunteers and traditional community contributors is disappearing. With this the social cohesion that normally underpins the voluntary sector, and overall community pride, is dissipating. Further attached to the change in social make up is what the community perceives to be an increase in crime, although this is not supported by police statistics, and other social problems. Within Gisborne there is a fear amongst sections of the community that the town will become a timber town like Kawerau or Tokoroa in the Central North Island.

Tied to the infrastructure and social implications is the economic development of the region. Regional decision makers are adamant that economic security for the region will be based on forestry processing. This is a long-term economic spin-off of forestry that is yet to be realised for Gisborne and the East Coast. However, at the present stage most commentators in the region are only noting the negative economic effects from forestry. While forestry has created jobs, the big money and longer-term economic benefits remain unfulfilled. The loss of farmers and the loss of the land to forest plantations are prominent talking points. There is a belief that the push to forestry, supported and aided by government policy, has resulted in some prime farming land being lost, and with it the better longer-term economic use of the land. Further, the nature of forestry work has meant that workers no longer need to be based on the land. Instead, most workers are based in central locations, such as Gisborne, or come from outside of the region. The loss of the money in the smaller communities on the East Coast has been severely felt. This does not mean that Gisborne's central business district is unaffected. There are many empty stores along Gladstone Road and in the surrounding streets. Forestry development is not to blame for the economic state in the region. However, the nature of the industry, the transitional and low paid work force, combined with the larger capital gains going to overseas business interests, are clearly linked in the minds of the community to the current economic situation.

People recognise that environmental considerations are very important in the negotiation of forestry development in the region. The Resource Management Act has contributed to some vital positional and lobbying points. Ngati Porou Whanui Forests state that their greatest impediment to development is the legislation that prevents them from clearing manuka and kanuka (scrub) growth to turn the land into forestry plantations.

A contributor to, and outcome of, the consequence and impediments to change are the various tensions that are exhibited. The tensions are determined by social, economic, environmental and cultural concerns. The levels of tensions can be split between the tensions within the forestry chain, and the tensions from outside the forestry chain, including local and central government, business and investment interests, labour interests and landowner interests.

The tensions within the forest sector involve the forest managers and companies, the various contractors, forest workers and the forest workers families. While not directly involved, the families of the workers are included in the forest sector because they experience indirectly the policies of the industry, plus they influence the perceptions of the workers. The tensions within the industry are the result of how forestry business is conducted. The tensions experienced within the forest sector in the Gisborne and East Coast are not uncommon throughout New Zealand, though some key issues are more acute in this region<sup>30</sup>.

Within the forest sector the forestry companies are subject to the strongest criticisms as the instigators of the greatest tensions. Juken Nissho is viewed as the more influential in the region, mainly due to the presence of the processing facility near Gisborne. The most common complaints are regarding the payments rates for contracts and the considered low regard for the contractors and workers. It is considered by many that the competitive nature of contracting means that low contract rates are negotiated. Many contractors then fail to break even on the contracts, with the workers being at the bottom of the chain and earning minimal incomes comparable to the level of work they are expected to perform. Independent data from an earlier study (Cummins and Byers, 1996) confirmed the low wage rates.

Contractors feel that they are caught between the companies and the worker. The general belief is that if a smaller contractor is working to make a profit and pay their workers fairly it is a tough existence. The less reputable contractors are viewed as "cowboys" that will likely encourage poor work habits, and are likely to "rip workers off". The future of the reputable contractors wanting to make a profit is beginning to be viewed optimistically as the supply of work increases and the numbers available to do the work reduces, meaning better contracts may be negotiated.

Observers of the industry believe that the forest workers, especially those involved in silviculture work, suffer the most. The responsibility for the worker is not owned by either the companies or the majority of contractors. The workers feel distanced from their employers through the contracting process. This perceived distance ensures that worker have no personal stake in the work that they are doing. In return, there is minimal loyalty from workers to the contractors and companies. It is understood, however, that good contractors are sought by workers and if employed satisfactorily are more likely to remain with them. From the contractors' point of view, there is a lack of good quality forest workers available. Further, the attitudes and habits of many workers are seen as a barrier to good working relationships. From the forest workers' perspective there is little trust of the contractors and, in particular, the forest companies.

The families of the forest workers are part of the forest sector. The nature of the industry sees low esteem developing in workers who work hard for little or no recognition. This reflects in the poor attitudes that workers may bring home and the added stresses to the family of surviving from an inadequate income. The nature of the industry is believed by

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<sup>&</sup>lt;sup>30</sup> A person working for a corporate forestry employee with experience outside of the Gisborne and East Coast region felt that the problems associated with labour shortages and drug use were more evident in this region comparable to others.

some people, in the supporting family roles, to be creating tensions and potentially damaging to families' stability.

There are also tensions between the forest sector and other groups which have a considerable role in how the nature of forestry has developed in the region. The Gisborne District Council is an important participant. Many criticisms are directed at the Council from inside and outside of the forest industry about their role in the development of forestry. The main issues surround the application of the Resource Management Act and their involvement in developing infrastructure. The Council has performed what it believes are the best actions to encourage a positive environment for forestry. There are many views from inside the community that the Council's responses are incorrect, slow or wrong in priority order.

The Central Government is best represented through WINZ, OSH and the Regional Development Taskforce. OSH is seen as necessary, although their regulations act as another pressure on contractors and workers. WINZ is involved in trying to place unemployed workers into jobs created by forestry, but suffers criticism for not being able to provide enough people. WINZ staff feel there is a lack of support in their attempts to encourage unemployed people into forestry. The Central Government driven regional development taskforce is new in the region, but is viewed by some as an external political vehicle. The taskforce has already staked a high claim on the future of forestry in the region.

There is a great deal of public opinion regarding forestry. The majority of it is not favourable towards the past, current and future role of forestry development in the region. Many of the region's people feel that the forest companies cannot be trusted to consider what is best for them and the land. There is also a feeling that they have been written off by the Central Government, which saw the expansion of forestry as an easy solution to employment and economic problems they faced. The public concerns focus on higher profile features of forestry, such as the increasing numbers of logging trucks, and outside contractors and labour taking local jobs.

The low numbers participating in forestry is a high profile issue in the community and the one that may have the largest effect on the community and the industry in the future. There is a lack of willing, trained and capable workers, including those in management roles, in Gisborne and the East Coast. The companies and the contractors are aware that they currently need and will increasingly need such workers. There is a popular belief that forestry would solve the region's unemployment problems, though the nature of the surplus workforce and the type of worker required for the forestry work has created a gap. This is represented in the shortage of workers. It is important for the forestry companies to have a workforce pruning trees, harvesting and working in processing to ensure that best value is received from the product and that market supply obligations are met. There has been an expectation that the youth and unemployed in the region would fill the new jobs created by the industry. For various reasons there are not the expected numbers of people from these groups taking up forestry work.

In this report over 20 different determinants that influence individuals' decisions or ability to work in the forests have been highlighted. These are based on the discussions with community members, contractors, forestry company representatives, forest workers and those supposedly looking at forestry as a future work option. The most common determinant agreed to was that the money paid to workers was low. This determinant's effect on the number of people willing to work in forestry compounds as other determinants, such as the physical and mental toughness of the work, the stigma of working in forestry, the reputations

of contractors, the image of forestry, drugs, the acceptance of the unemployment benefit, the location and type of land worked, are considered.

# 5.3 Analysis of Impediments to Change and Possible Directions for Future Planning

There are four major impediments to change. These include the lack of capacity to adapt, lack of participation in forest sector development, the poor image of forestry and poor contract and employment conditions. Each of these topics is considered in turn, noting their implications for future policy and planning.

## **Lack of Capacity to Adapt**

This report documents the attitudes of the community towards forestry based on interviews with a broad range of people and interest groups. The data in this report illustrate the diversity of views of the people in the local community. The theme of capacity runs throughout the issues surrounding the impediments to forest sector development in the Gisborne and East Coast region. The capacity issues include infrastructure, workforce availability, community support and political ability, as follows:

- The community perceives current infrastructure as not developed enough to adequately provide for the expanding needs of forestry. The roads are known not to be stable enough, the port is not big enough, and there are not the processing abilities to take on the increasing volume in trees, meaning more logs will be exported.
- A considerable number of people recognise that the population is not skilled or interested enough to either work in the jobs created by forestry or the supporting businesses.
- The current political climate involving the forestry industry, the local council, other community decision makers and public opinion all reveal tensions. There appears to be an inability to negotiate the interests of all concerned in a fair and beneficial manner, including the crucial decisions surrounding the lack of infrastructure.
- The support for forestry appears low amongst a significant proportion of the community, yet decision makers claim it is what the community wants. Some in the community have been hurt by, and hence distrust, the privatisation of forestry in the region. For many, the development of forestry is seen as another commercial enterprise that will come and go at the expense of the people. The industry people and key community decision-makers may be failing to recognise this lack of general public support. In future the lack of community support for forestry may very well undermine the economic potential that has been sought.

The question of the capacity of the region in the broad sense is the major impediment to adapting to the change in land use. The reasons are spread amongst the multiple issues and attitudes described in this report. The environment in which forestry has developed in the era of privatisation may be viewed as a prime factor in this situation. It must therefore be questioned whether, under current conditions, the region has the social, political and economic capacity to create a forestry development environment that benefits the community as a whole.

## Lack of Industry and Community Participation in Forest Sector Development

The consideration of the public good in the process of economic development is an issue of much theoretical and political interest and debate. While not openly stated by any one individual, an analysis of many of the comments recorded suggest that it may be inappropriate for the region to fully rely upon forest industry interests to determine the shape of its socio-economic future. The community, workforce and businesses have already experienced several transitions in industry bases and are currently experiencing another transition phase. If the optimistic scenarios are achieved, then the community can expect to

have a major employer and capital investment industry in forestry. However, the fact is that the nature of the new industry base and its future consequences for the region are yet to be determined. These can either be left to the market, meaning that the forest companies primarily shape the region, or the community can become involved and work to ensure that they have some say in the economic and social future of the region.

There are many people in the community who recognise that forestry is creating economic activity required to sustain the people and the region. They also recognise that forestry is well established and that many socio-economic consequences have already been determined. such as more logging trucks due to increasing harvesting, and the need for more labour and better infrastructure. There is a gap, however, in the understanding of the capabilities of the forestry industry, how they operate, what they hope to achieve and what they will need in the way of resources. Many expect that the corporate forestry interests do not have the community interest in mind when developing their business in the region. This may not be necessarily true, as there have been local forestry managers talking about the need of community support to facilitate forest sector development in ways that benefit them and the local community. Further, the region's development decision makers are assuming that the change of economic environment will create and maintain the community support required. There is a possibility that reliance on an individualistic and market determined community will not bring about the required support. The people that can influence the development of a healthier community socially and economically need to align themselves better to the community itself, in order to gain greater support for forest sector development.

An improved industry and community participation process to address the issues surrounding a beneficial development of forestry in the region may need to be considered. There is a concern that the region's less than optimistic attitude and the inability in the past to obtain outcomes may hinder any future attempts at similar projects. The region has seen the start and untimely finish of several groups aiming to reach an across-the-board resolution to development issues, examples include the Forestry Cluster Group and the Waiapaoa Catchment Community Project<sup>31</sup>. However, the need for a better industry and community association has not been lost on key decision makers in the forestry sector and the Gisborne District Council. The Gisborne Mayor's call for a collective responsibility between industry and community, mentioned at the beginning of this report, is a recent example of this recognition.

If the community is to really benefit from forestry in the region efforts are needed to pinpoint what the overall benefits could be (not just economic) and planning steps and actions could be devised to ensure the benefits occur, and with that, a base of public support for the industry. Differing interests within the community have suggested a call for better consultation with the community and interested parties, and an amalgamation of economic and community development concerns.

Some people have already identified that the ideal would be a balance of industry and community interests. The following quotes are representative of these viewpoints:

There should be true leadership from the local authority in these issues. Historically, Central Government has not shown any interest, particularly in the last nine years. Over the last nine years this region has been left to cope with its

faded from the scene.

<sup>&</sup>lt;sup>31</sup> In 1997 Landcare set up the Waipaoa Catchment Community Project. The aim was to have all participants effected by land use change in the Waipaoa Catchment discuss the future for the change and work towards resolving the issues surrounding the changes. Reports have been that this project, while initially promising, has

own problems. If that is the norm, the local authority should be showing true leadership. If a situation is needed for the taskforce something should be thrown together from everybody in the community contributing, including the guys doing the pruning and the planting. Once you get that environment going you are nurturing leadership skills throughout the whole region. You will get guys that speak out on behalf of the pruners and planters. There has not been that much leadership coming from the community, as well. You have your community leaders within the industry. Can any one name any leaders from the pruners and planters? Apart from the odd forestry contractor that has jumped into the employment issues, rarely has there been a united voice. There has only been one or two. It is a matter of the community being involved and being asked to be involved.

There has got to be more of a community focus and community consultation into such an important area. This district has to be involved in the community and economic development. I say that both should go together. Once you develop your community, you develop the health of the community to the point that they take on economic development initiatives.

The question is who should be addressing public good issues in the local community? Should it be the Council's responsibility? Or, would a hands-off approach from the Council bring the best result to the community? The Council may still need to be involved in shaping the future environment for forestry in a manner that benefits the community as a whole.

#### **Poor Image of Forestry in Community**

There is a need for the forestry industry to promote itself to the community and the potential workforce. For many observers in the community it is simply that "forestry needs a new image". The industry needs to become a "career of choice rather than a last choice". Unfortunately, it seems that the region does not have a grasp of the future consequences of forestry. They have witnessed, or they believe anyway, that there have been detrimental effects on the community. The responsibility for ensuring the community is informed of what is happening lies in significant part with those in the community that have promoted development. The forestry companies also have a responsibility in that if they want support and workers to come from the community then they need to ensure that a more positive profile is provided. However, the wellbeing of the community is the responsibility of the District Council. There is an assumption that if economic and environmental factors are addressed then social and cultural issues will respond in a desirable manner. This need not be the case as the evidence in this report illustrates. It would be inefficient to have roads and ports improved, and processing plants built, yet the people living in the region not support forest sector development and the potential for development not being achieved.

The image of the forestry industry is currently being tarnished by negative perceptions, for example, too many logging trucks, unscrupulous contractors and profit driven forestry companies. These are less than desirable images for the parties concerned, and the industry as a whole. There is the possibility that this image could be enhanced. Responsibility for this more positive image lies with all concerned, though there are many in the region who feel ultimately it lies with the forest companies. The feeling is that if they want a workforce and a supporting community then they need to work harder at the regional level image. Perhaps it is unfair to rest all responsibility with the companies as a more positive image of forestry benefits more than the companies.

A greater attempt at community education on the positive aspects of what forestry could bring to the region could be initiated. Many people are only seeing the negative impacts, such as the break up of rural communities. If there are to be benefits that off-set such occurrences then the people in the region need to be advised, with suggestions on how they can make the most of the future positives. It is possible that if there were improved community understanding about forestry and the real benefits that will occur when the volume of trees increases, then the politicians and community members could be better prepared to take advantage of what the industry growth has to offer.

## **Poor Contract and Employment Conditions**

A key impediment to people contemplating participation in forestry is the monetary value placed on forestry work and its conditions. Often many of the other determinants, such as physicality, travelling hours and terrain, are associated with the pay received, that is, the money received does not compensate for the work conditions. The stage at which this most discourages people from forestry work is before entering the workforce and in the initial stages of work. Work and Income New Zealand advocate a training wage to cover workers until they come up to speed in the forest. This would ensure that a person received an income that acted as incentive not to look for work elsewhere or resort to an unemployment benefit.

Attitudes from within the industry at levels below the companies and investors suggest that contracting is not delivering an effective business and conducive working environment. For example, contracts based on the lowest bidder are resulting in workers receiving low or uncertain wages and the employer receiving a substandard quality of forest work. Many people see this as a contributor to the poor attitude and lack of interest towards forestry. The current contracting system sees the potential for workers to be exploited by unscrupulous contractors and alienation from the work environment, that is, workers feeling no connection to the company or to the job environment. If the worker has no sense of respect or ownership it is likely that they will hold the work in lower regard. Further, the conditions of the work under privatisation are considered tougher than in the past under the New Zealand Forest Service.

There have been suggestions of better regulatory process for the contractors, such as some form of negotiation contract system that reduces the numbers of "cowboy" contractors, who not only affect the workers, but can damage the profits of the companies and the potential of the community. Such a system should recognise the nature of the work and encourage all parties to be involved in the industry as a whole, for the long term. Various sources from within the community suggested that a better voice be established for the workers, especially in negotiating contracts and airing concerns about the work.

#### **5.4** Further Research

Many questions remain about the current consequences of forestry and its associated activities. The following are examples of potential areas for further research.

- Forest workers. To date there has been informal discussion and investigation of the nature of silviculture work and workers have expressed interest in further research. A better understanding of the workers' outlook and appreciation may better equip planners as to how the can encourage and maintain the forestry workforce.
- Non-participants and prospective participants, particularly youth and the unemployed. There is a great deal to be learned from those contemplating, involved in or exparticipants of the forest workforce.

- **Social indicators.** The extent of the social problems associated with the changing economic climate, which forestry is a large contributor, could be studied to give the community a better idea of what to overcome and what preventative measures could be taken.
- The underground workforce. There is a need to assess to what extent people are undertaking work without qualifications and receiving unofficial payments, for example, cash under the table or drugs for work. Research into the level of existence of this underground workforce and its role in the lifestyles and function of the local communities would be of value.
- Community participation or ownership of industry. There are global examples of effectively managed community change as a result of an industry expansion or introduction, such as forestry, on smaller communities around the world. A suggestion is to examine these. Alternatively, Gisborne and East Coast representatives could create their own unique response, which ensures that all, from the forest companies to the non-participating community members, benefit from the presence of forestry.
- *Maori perspectives*. Forestry has a different set of implications to Maori on the East Coast then it does to Pakeha in Gisborne. There is a tendency to group Gisborne and the East Coast, and Maori and Pakeha, together when assessing the impact of forestry. The differences in views and impacts could be analysed in more detail.
- *Silviculture as a form of work.* Silviculture could be compared to shearing, which is repetitive yet was acceptable as a starting job for a move into a farming career. Silviculture is comparable to sheep shearing in that it is methodical work practice, although does not have the same acceptance as a step into a career.

Finally, it is important to disseminate any information about forest sector development to the public in an inclusive and sensitive manner. That is, it is important to present the information to 'the community', consisting of forestry interests at all levels, social and environmental groups, other landowners, all business interests, local government and iwi. Shared knowledge will be critical to reducing the tensions between sectors, and to reduce misunderstandings, and instead realise opportunities.

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