



New Zealand
Forest Industries Council



NEW ZEALAND
FOREST OWNERS' ASSOCIATION INC.

**NZ FOREST OWNERS ASSOCIATION
NZ FOREST INDUSTRIES COUNCIL
NZ FARM FORESTRY ASSOCIATION**

POSITION ON FSC PRINCIPLE 10

DEVELOPED FOR THE FSC PLANTATION REVIEW

Summary

The New Zealand plantation forest industry as represented by the NZ Forest Owners Association (NZFOA), NZ Forest Industries Council (NZFIC) and NZ Farm Forestry Association (NZFFA) have developed this position primarily to convey our experience and identify improvements to the FSC Principles and Criteria and in particular Principle 10. The New Zealand forest industry has considerable experience with intensively managed plantations. With over one third of plantations by area FSC certified, believe we can offer valuable input into the FSC plantations review. Our experience with FSC certification of plantations has highlighted conflicts in the application of Principles and Criteria developed primarily for tropical rainforest management.

The main issues addressed in our position are summarised as follows:

- The value of plantations in preventing the depletion of natural forests
- Why plantations need to be viewed differently from natural forests
- How to manage remnant natural forest and biodiversity within plantation estates
- The need to use chemicals for intensive plantation management
- The role of plantations in the socio-economic context.

Background on New Zealand Forestry

1. Members of the New Zealand Forest Owners Association (NZFOA) own or manage more than 80% of New Zealand's plantation forests. As such it is the industry's most representative forest growers' organisation. Established 70 years ago, the NZFOA is dedicated to the promotion and strategic positioning of commercial plantation forestry and in particular, of NZ radiata pine.
2. The New Zealand Forest Industries Council (NZFIC) is a pan industry association for the forest and wood processing industries. The Council is

comprised of the CEOs of the larger companies together with sectoral associations. The Council's goal is to enhance the international competitiveness of New Zealand's forestry, pulp and paper, remanufacturing, sawmilling, and wood panels sectors.

3. The New Zealand Farm Forestry Association (NZFFA) is a voluntary organisation with 3,000 members in 29 branches nation-wide. It was formed 50 years ago. Its prime objective is to promote an ethic of sustainable land use by combining trees with farming to diversify economic returns, provide shelter and shade for livestock, shelter for crops, soil conservation on erosion prone land and conservation of indigenous forests and other natural vegetation. Its members include farmers, small scale foresters and others with a wide range of interests in trees including amenity, conservation and research. It has a strong Indigenous Forest Section interested in both conservation and sustainable production.
4. The NZ Farm Forestry Association is a member of FSC and the NZ Forest Owners Association is in the process of applying for FSC membership.
5. New Zealand has 1.81 million hectares of plantation forest, which equates to around 7% of total land area. More information on New Zealand forestry statistics can be found in the attached NZ Forestry Facts and Figures brochure.
6. Plantation forestry in New Zealand commenced in the last part of the 19th century and since then has developed through several significant phases. Large scale Government and private planting occurred between 1922 and 1935 as a result of a far sighted realisation that the indigenous forests would not support NZ demand for timber by the 1960's, in which the renowned Kaingaroa Forest was primarily established. Another burst of Government sponsored planting was undertaken in the early 1970's and early 1980's. Prior to 1987, the Government's forestry arm, the NZ Forest Service managed both state established and owned plantation forests and large areas of indigenous forest, mostly protection forests on steep and mountainous land with more limited areas of indigenous, production forest.
7. In 1987 the state owned indigenous forest was transferred into a conservation estate (managed by the Department of Conservation) while plantation forests were transferred into an overtly commercial forestry enterprise (NZ Timberlands). This area of indigenous forest, combined with other areas of conservation land, including National Parks, has been combined into a State owned, totally protected, conservation estate, of 6 million hectares or around 23% of the land area of New Zealand. There are also significant areas (approx. 100,000 ha.) of covenanted, private conservation estate. This equates to more than 1.5 hectares of protected conservation estate per citizen.
8. About 1.3 million hectares of natural forest is privately owned. About half is estimated to have production potential and about half is Maori owned. Production management is only permitted in accordance with strict rules of sustainability laid down by the Government. Currently there are approximately 110,000 ha of privately owned natural forest approved by

the Government for sustainable productive management and a further 26,000 ha seeking approval.

9. The cutting rights to the Government plantation forests were consequently sold into private ownership during the 1990's through Crown Forest Licences. The 1990's also saw another spurt of planting that was primarily on ex-pasture land and characterised by a significant amount of small woodlot and private investment forests under 1,000 hectares in size. Note also that the management of any natural forest remnants within the State plantation working circles was excised where practical and allocated to Department of Conservation. State plantation forests (Crown Forest Licences) thus now have significantly less proportion of reserves than those established privately.
10. The underlying land of the Crown Forest Licence forests forms part of a land bank that is available to Maori (New Zealand's indigenous first nation people) as compensation for the settlement of successful claims against Crown breaches of the 1840 Treaty of Waitangi between Maori and the Crown. The claims and hand back process will take time to complete, but will eventually result in Maori having full and unencumbered legal title to the lands handed back as part of the settlement agreement. Under the handover terms the Crown Forest Licence holders have the right to manage and utilise the existing forest for one rotation on each land parcel as it is returned.
11. In the past, some of the plantation estate was established from converted natural forest. However, in recent years and in particular after the signing of the NZ Forest Accord in 1991 the conversion of natural forest to plantations has been severely limited. New plantation forest is now mostly established on ex-pasture land. This is recognised as a considerable improvement to the environment, including carbon sequestration.
12. There are now considerable areas of plantation forest that have been established in a fourth rotation without loss in site productivity (and usually with gains in growth rate). This provides a good indication on the long term sustainability of plantation forestry.
13. The nature of plantation establishment has resulted in a relatively uneven age distribution on both a national and local scale. This has led to management issues relating to harvest size, workforce dynamics and infrastructure development. Locally these may at times conflict with FSC Principles and Criteria.
14. New Zealand production forestry is almost unique as the majority of our wood products are produced from exotic plantation species (99.9%). Of this, approximately 90% is radiata pine (*Pinus radiata*). Other exotic species that are frequently established include Douglas fir (*Psuedotsuga menzesii*), various Eucalyptus species (*Eucalyptus fastigata*, *E. nitens*, *E. pilularis* and *E. regnans* are the more common), Mexican and Monterey Cypress (*Cupressus lusitanica* and *C. macrocarpa*), coastal redwood (*Sequoia sempervirens*) and Tasmanian blackwood (*Acacia melanoxylon*).
15. The success of exotic plantation species, in particular radiata pine, is a result of over 100 years of trials, research and selection that has resulted

in a plantation industry that can produce large volumes of wood on relatively short rotations and is supported by the New Zealand public.

16. The current national mean annual increment of well managed *Pinus radiata* is 18 m³/ha/yr which results in mean recoverable yields of approximately around 500 m³/ha at age 28 on average. Total harvested volume is steadily rising and is currently 22 million cubic metres per annum. This is expected to increase to 31 million within a few years, with further rises dependent on the levels of future afforestation and improvements in growth rates due to site selection, tree breeding and silviculture.
17. The use of exotic plantation species has proven to be economically viable in New Zealand. Exotic species are economical in their use of land, labour and capital. For example, New Zealand's forest industry supplies 1.1% of world and 8.8% of Asia Pacific's forest products trade. All from just 0.05% of the world's forest resource and an annual harvest area equivalent to 0.0009% of global forest cover.
18. The industry is very much based on solid wood production (sawn lumber, veneer and engineered wood products) rather than fibre based products such as pulp, paper and MDF. These products are facing increased competition from, and are often being replaced by concrete, plastic and metal products. All of these have a much higher environmental cost than wood.
19. The availability of plantation wood has enabled the New Zealand Government to cease harvesting in State owned natural forests which are managed for pure conservation purposes. This has contributed to over 30% of New Zealand's land area (including alpine areas) under management by the Government for conservation purposes.
20. Key New Zealand Environmental NGO's and the New Zealand forest industry have agreements relating to the use of exotic species in New Zealand plantation forestry through the NZ Forest Accord (note Maori did not sign the Accord) and Principles for Commercial Plantation Forest Management in NZ (copies attached). The NZ Forest Accord also sanctions sustainable production from natural forest.
21. New Zealand forest management is subject to some very robust and enforced legislation. In particular the Resource Management Act provides for the sustainable use of land and resources and is based on minimising environment effects. Other significant legislation includes the Health and Safety in Employment Act, the Workplace Relations Act that sets out the rights of workers, Conservation Act that provides measures for protecting biodiversity, Historic Places Act regulating historic sites and indigenous peoples rights and the Treaty of Waitangi Act that protects indigenous peoples rights and sets out a framework to address past grievances with the Government for Maori. New Zealand's legislative framework requires a high level of compliance which in many aspects reflects the intentions of the FSC Principles and Criteria.
22. Well managed plantation forestry provides a significant economic platform for New Zealand's indigenous ("first nations") people, the Maori.

Approximately 20% of New Zealand's plantation resource is in Maori ownership and this proportion is steadily growing. Maori also own large tracts of natural forest and have a relationship with these forests which does not preclude productive use. Some of these forests have sustainable management production approval from the NZ Government.

23. New Zealand plantation forests provide a variety of environmental services. In particular, many studies have demonstrated that closed canopy, plantation forests act in an identical fashion to indigenous forests and dramatically reduce soil erosion on unstable slopes, generally by around 90%. Soil erosion of hill country pastoral land is one of New Zealand's most serious environmental problems and plantation afforestation is recognised as being the fastest and most effective means of controlling this problem. At the same time, plantation forests enhance water quality, compared to pastoral land, provide habitat for many indigenous species, including a number of rare and endangered species, cater for recreational activities, and make significant contributions to the New Zealand landscape. On many farms, significant areas of plantation forest, generally on lower productivity and erosion prone land, provide all the above environmental benefits along with shade and shelter for animals, and diversification of income.

Our Experience with FSC and Principle 10

24. New Zealand plantation forests began obtaining FSC certification during the mid 1990's. Today, over 700,000 ha of plantation forest holds FSC certification, which equates to around 38% of the total plantation area.
25. FSC certification of plantations has not lead to price premiums, but is sometimes required for market access for New Zealand wood products. The incentives for forest certification in New Zealand are marginal which has deterred many forest owners, particularly those with smaller holdings. Some mills with FSC CoC have had very limited (<5% by volume) demand for FSC certified products (eg Waipa sawmill and Jenkin Timber)
26. Certification under existing rules has proved very difficult for small forest owners and farm foresters, where forestry is integrated with other farming land uses to gain.
27. The development of a New Zealand national plantation forest standard for FSC certification has been under negotiation for over three years. The standards are mostly completed with only a few points to be resolved. One of the main issues of continued negotiation is the requirement for a percentage of natural reserve area.
28. We understand that Principles 1 to 9 were principally developed for the management of natural forest. Whilst many of the forest management components covered by these Principles are also applicable to plantations, this is not universal. The retrospective addition of Principle 10 to include plantations has lead to confusion and, in some cases, conflict between Criteria when applied by certifiers. In particular, we have found that the some Criteria of Principle 6 conflict with those in Principle 10.

29. New Zealand plantation forests generally consist of the plantation crop and natural remnant patches often managed as reserves (or in some cases have the potential for sustainable production).
30. Large differences in the management of the plantation crop and natural forest remnants within the Forest Management Unit exist. This is principally from the rotational management of the plantation crop compared to the protection based or sustainable production management of natural forest remnants.
31. FSC has recognised the importance of wood produced from plantation forests as an alternative to continued extraction from natural forests. However, this is contradicted by the requirement to restore areas to natural forest cover (Criteria 10.5). As most natural remnants in the plantation context are already protected as natural forest cover, this has resulted in calls for some of the plantation crop to be converted to natural forest, notwithstanding the large adjoining reserves set aside in 1987.
32. New Zealand has many introduced pest and weed species which require control for effective plantation management. By comparison with other commercial land uses, including parks and gardens, New Zealand plantation forestry has a much lower use of chemicals per hectare. The chemicals used in New Zealand plantation forests must be approved for that use by the NZ Environmental Risk Management Authority, which provides a public and rigorous means of assessing the risk and suitability of any chemical for use in a forest situation. Chemical application often provides the most effective, if not the only economically viable option to control pests and weeds. An absolute goal of eliminating chemical use is not viable in New Zealand plantation management.
33. Note that New Zealand's natural forest evolved in isolation for 80 million years. Many indigenous species have proved very vulnerable to introduced, browsing animals such as possums, goats, pigs and deer, or introduced predators such as the mustelids. Introduced species lack natural predators with the result that pesticides are a necessity for effective pest control. As a result, the NZ Government's conservation body, the Department of Conservation, uses pesticides such as 1080 with ENGO support (e.g. the NZ Forest and Bird Protection Society).
34. New Zealand is moving towards a situation where a large proportion of plantation forest land will potentially be owned by Maori. This will first be influenced by the successful settlement of Treaty claims, whereby existing plantation forest lands may be returned to Maori. Secondly, vast areas of previous pasture lands have the potential to be cleared of re-establishing bush (indigenous and exotic) and planted in exotic commercial forests. In the majority of cases, the latter is prohibited under Principle 10 (10.9.3) and would, therefore, preclude Maori from FSC endorsement. Given the circumstances surrounding the historical alienation of Maori land in New Zealand, and the "constitutional" position of the Treaty in New Zealand, Maori find this position to be unacceptable. Furthermore, they believe that exclusion from FSC endorsement under 10.9.3 is directly contrary to Principles 2 and 3 and fails to recognise their significant contribution to the

“public good” through conservation, protection and sustainable management of vast areas of indigenous forests within N.Z.

35. There is increasing concern amongst Maori that first world driven compliance costs (as per FSC) will stifle the forest management options of land owned legitimately by indigenous peoples, forcing them away from forestry and economic prosperity.
36. The uptake and support of FSC by uncertified plantation forest owners, and the continued support by certified New Zealand plantation forest owners, may be contingent on the outcome of the FSC plantation review.

Our Key Position Points on the Review FSC Principle 10

37. We recommend that FSC reiterate its recognition that “well managed” exotic plantations managed principally for economic return, play an important role in the social, environmental and economic welfare of less wealthy or developing nations, especially where indigenous people have ownership or equitable joint ventures.
38. We recommend better accommodation of plantation forests within FSC’s Principles and Criteria. We believe this can be achieved by either:
 - a. The development of a new set of Principles and Criteria for plantations, or
 - b. A series of explicit plantation alternatives in the Principles and Criteria. This will allow certifiers to apply an appropriate plantation standard in cases where existing Criteria are illogical plantation management.
39. We do not seek major amendments to Principles 1, 2, 5, 7, 8 and 9. However, some terminology used in these Principles and Criteria could be amended to better reflect plantation management.
40. Under Principle 6, we seek the separation of the management of plantation crop species from the natural remnants present within the Forest Management Unit. Some of the key amendments sought are:
 - a. Except for the special historical circumstances relating to NZ Maori and the effect of Criteria 10.9.3, we generally agree with Criteria 10.9, which reflects agreements laid out under the NZ Forest Accord that prohibits the conversion of natural forest to plantation forest. This should be incorporated into Principle 6. However, we advise that consistency is achieved between these arrangements where Maori land owners are affected and consistency is maintained between “first nations” requirements under Principles 2 and 3.
 - b. The primary focus on protective management of natural remnants in the plantation context should be on areas of identified significance. Natural remnants of lesser significance should be passively protected (i.e. not converted or damaged by forest activities) through a) above or where appropriate managed for sustainable production.

- c. There should be no minimum amount of indigenous reserves imposed by international or national standards on any single owner. Rather, FSC certifying bodies should be permitted wide discretion in determining an appropriate amount based on historical development and regional context.
 - d. The right of indigenous people to economically benefit from their exotic, industrial plantations (see Principle 3) should be given greater weight when this conflicts with other FSC principles.
 - e. Existing reserves within the plantation should be managed as per a) and b) above, but this should not be a requirement unless reserves or areas of significance already exist.
 - f. The management of environmental impact (on biodiversity, soils, water and landscape) within the plantation crop should be focused on identified significant values and sustainability of the land. The current wording of Criteria in Principle 6 can conflict with good economic management of the plantation crop. We support wording amendments for plantation management to avoid, remedy or mitigate adverse effects on values such as biodiversity, soils, water and landscape.
 - g. The reduction or minimisation of soil erosion is a critical benefit of plantation forest established on degraded or unsustainable pasture land. We recommend the inclusion of a Plantation Criteria that requires measures to avoid or minimise slips, slumps, earthflows and other soil erosion factors.
 - h. Amendments to recognise that the appropriate and safe use of chemicals is often essential for economic management of plantation forests, and in the New Zealand context is often required for optimal environmental outcomes. Note the alternative is to convert plantations to agriculture, with a very significant increase in artificial and natural (animal excreta) chemical loading.
41. Well managed plantation forests should be recognised for their significant contribution to employment. In many cases, plantation forestry is more intensive than other forest management systems resulting in greater levels of employment and therefore contributing to community welfare. It is particularly important to recognise the employment multipliers of forestry that are usually between 2 and 6, i.e. for every person directly employed in plantation forestry a further 2 to 6 other indirect jobs exist.
42. We recommend that the triggers and procedures for undertaking and assimilating social impact assessments require further explanation for plantation management. Plantations are generally intensively managed where workers are required at different periods during a rotation to undertake establishment, silviculture and harvesting. Coupled with varying age class distributions, large gaps in work load, and skill needs result in a fluctuating worker demand. It can be very onerous on a certified forest owner who is required to undertake social impact assessment in times of low worker demand.

43. We seek greater recognition within the Principles and Criteria that well managed plantations are primarily managed as a commercial forest crop and contribute optimal environmental outcomes by substituting for natural forests.
44. We believe New Zealand plantation management can provide an effective and appropriate model for the development of an FSC plantation standard.
45. We are prepared to assist where appropriate with the plantation review and any consequent development of an FSC Plantation Principles and Criteria. There is some interest in New Zealand hosting the Asia/Pacific consultation and field visits planned for 2005.

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