Changing forest ownership patterns

The current new planting boom is achieving new records and the consequence of this will have a dramatic impact on the forest ownership in New Zealand.

Today's Forest Owners
The National Exotic Forest Description (NEFD) estimates the forest estate to be 1,339,000 hectares as at April 1993. The corporates and large owners contributed 77 per cent of this resource. This list of ownership includes: Carter Holt Harvey, Fletcher Challenge, Rayonier New Zealand, Jukken Nissho, Crown Leases, Oji Sankoku, Wenita, Emnslaw One, Timberlands West Coast, and New Zealand Forestry Corporation. In 1990 the large forest owners accounted for 80 per cent of the ownership.

The Current Planting Boom
It is very important to realise that the current planting boom is occurring largely outside the corporate and large grower ownership. Most of the plantings are being undertaken by investment groups of various forms, individuals and farmers. In 1993, new planting was estimated at 60,000 hectares, while for the current year it is estimated that more than 100,000 hectares will be established.

If predictions that the 100,000 hectare new planting level is achieved for the short term, then by 2005 New Zealand's forest estate could be 2.5 million hectares. It is also predicted that the corporates and large owners will account for only 20 per cent of this new planting.

Future Forest Ownership
Extrapolating these parameters reveals that the forest ownership patterns will rapidly change. If this level and distribution of new planting continues for a further 10 years, it will result in the large forest owners' percentage of the forest estate diminishing from the 77 per cent to 50 per cent. See Table 1 and Graph 2.

Graph 2: Possible Corporate and Total Forest Ownership

The conclusion from this is that the tomorrow's forests in ten years' time are likely to be owned under a more diverse pattern than the current national estate. In Graph 3 a projected age class structure by 2005 is given. It is significant that for the projected young-age classes the existing large forest owners are minor contributors.

Even if a lower new planting level is achieved the message is still the same.

Some Implications
The changes in forest ownership structure are described in terms of area but clearly there are other major implications for the New Zealand forestry sector. These are outlined below.

Resource Information
The collection of resource information from tomorrow's forest owners is likely to be more difficult and expensive than for today's. NEFD will be faced with an increasingly fragmented forest estate to monitor. This poses problems in ensuring that the national estate is truly represented in terms of area, age class and management practices.

Forest Associations
While the New Zealand Forest Owners' Association has membership coverage in excess of the current corporates and large owners, a trend of reducing percentage representation of the total forest estate may well occur.

The reverse of this may well be the case for the membership of the Farm Forestry Association, as many of the current new planters are farm-forestry-based.

Table 1: Forest Areas - Present and Future
At 100,000 hectares new planting per year

<table>
<thead>
<tr>
<th>Year (1 April)</th>
<th>New Planting 000's ha</th>
<th>Total Forest Area million ha</th>
<th>Corporate Forest million ha</th>
<th>Corporate Share Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>-</td>
<td>1.30</td>
<td>1.04</td>
<td>80</td>
</tr>
<tr>
<td>1993</td>
<td>-</td>
<td>1.34</td>
<td>1.03</td>
<td>77</td>
</tr>
<tr>
<td>1996</td>
<td>260</td>
<td>1.60</td>
<td>1.08</td>
<td>68</td>
</tr>
<tr>
<td>1999</td>
<td>300</td>
<td>1.90</td>
<td>1.14</td>
<td>60</td>
</tr>
<tr>
<td>2002</td>
<td>300</td>
<td>2.2</td>
<td>1.20</td>
<td>55</td>
</tr>
<tr>
<td>2005</td>
<td>300</td>
<td>2.5</td>
<td>1.26</td>
<td>50</td>
</tr>
</tbody>
</table>

N.B. New forest area is based on the 1993 planting of 60,000 hectares and then 100,000 hectares per year. The corporates and large forest owners are assumed to undertake 20 per cent of this new planting.
work permits. The consultation requirements of the Secretary of Forestry with the likes of the Director General of Conservation have now been extended to cover not only sustainable forest management plans but also the issue of sustainable forest management permits.

The Bill also attempts to put beyond doubt the relationship between the Resource Management Act 1991 and the Forests Act 1949. The previous reference to obtaining resource consents for "cutting regions" was somewhat contrary to the Crown’s view. The proposed amendments are designed to make the Crown’s stance law. The writer’s interpretation of the proposed definition means that the "stump" effectively finishes at ground level. To some, this might seem unreasonably restrictive.

The balance of the amendments contain some quite detailed fine-tuning changes to forests caught by the indigenous sustainable forest management and sawmilling regime.

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