Certification in New Zealand

Sir,

In his “International Perspectives” (43.3) Hugh Biggsby makes the point that “Certification activity in New Zealand to date seems to have been largely driven by forest owners in anticipation of demand for certified products, or by environmental organisations as part of a wider agenda”.

“Anticipation” is a mild word for what happened in Southland (“New Information 44/3). There may not have been written contracts but Craigspine was very sure that the demand would eventuate as described by their Chinese customers, and as I hear, it did.

To my knowledge New Zealand environmental organisations played no part in the arrival of FSC down here, though some were asked to participate in the process of assessment and did so. The only one with a local section, Forest and Bird, did not seek the opinion of its local members but required that the comment form be sent to its Head Office in Wellington, where it remains, unanswered.

As a result of Craigspine’s success a wider interest in FSC certification is spreading south of Dunedin, helped along by the rather distinctive properties of the local radiata timber. In other respects the driving force is not always clear. Opinions range from the best thing since sliced bread to a waste of time, often with people talking about selling the same products into the same countries. It seems you either like it or you don’t.

There is also, amongst the larger companies, a group view that companies looking for FSC certification have somehow let the side down badly. There is much snorting and heavy breathing down the phone, and widespread local rumour of pressure from “Head Office” on their southern subsidiary to drop the whole thing.

John Purey-Cust

Forestry Taxation under Labour

Sir,

It is hard to tell whether Hamish Levack (February 1999) is mischievous or merely careless in referring to Labour’s announced tax policy.

He describes the foreshadowed increase in the top marginal rate as if it will apply to all the personal income of those with annual incomes exceeding $60,000 a year, whereas the truth is that the increase will apply only to that part of income that exceeds $60,000.

The difference, for an individual with net taxable income of $80,000, is the difference between an additional $4,800 (the Levack version) and $1,200 (the truth). This increase, incidentally, almost exactly matches the tax cut these relatively well-to-do individuals received last July.

Mr Levack bemoans the fact that some of the tending costs incurred by these a typically prosperous farmers in producing this future forest income will only have been deducted from Income tax payable at the rate of 33%. If he was of more cheerful disposition, he might instead have celebrated the realisation that some of the establishment costs of most woodlots harvested over the next decade or so will have been deducted at the rate of 66% (the top marginal income tax rate under the Muldoon National Government).

Finally, Mr Levack raises the old bogey of death duties, and their potential disincentive impact on forestry investment.

Farm foresters should not be alarmed. Labour has publicly undertaken not to reintroduce estate duties or any broadly applicable capital taxes during our first three year term of office, and to clearly spell out any significant later tax reform plans prior to the election preceding their introduction.

Hon Jim Sutton
Labour Spokesperson on Forestry
and lifelong farm forester