

WORKER INVOLVEMENT

A FREEZING WORKER'S CO-OPERATIVE

P. Chadwick,
General Manager,
Whakatu Afforestation
Trust.

BACKGROUND

In 1970/71 the local bodies in Hawke's Bay saw a significant opportunity to develop a regional forestry scheme which would create employment and additionally, provide an investment for the ratepayers which would in the future, be a major source of revenue to ease the ever increasing burden of Local Body financing. The region had several freezing works employing large numbers of men who were thrown out of work when the killing season ended in May or June of each year.

A suitable area of reverted farm land totalling approximately 1600 hectares was offered by the N.Z. Forest Service, but with anticipated development costs likely to exceed \$1.5 million, the Local Bodies were not able to agree on how the scheme could be funded and the project was shelved.

Mr. Michael Kitchin, a Meat Workers' Union Representative at the Whakatu Works near Hastings, saw the Forestry Co-operative as answering not only the unemployment problem, but also providing a sound investment opportunity for the workers involved. It was clear that funding could be provided from the workers' wages during the period of high earning.

DEVELOPMENT

The Whakatu Meat Workers Union gave authority to Mr. Kitchin to employ the experts required to advise on the establishment of the Forestry project, the purchase or lease of suitable lands and the setting up of a Trust as the commercial vehicle for the Scheme. The co-operation of the workers was immediate and since the Scheme's inception in 1972, other Freezing Works have joined forces to provide a total membership participation of nearly 1800 people.

During the development phase of the forest, many workers were prepared to accept difficult living standards and understood the need to re-invest a significant portion of their weekly wages to ensure that the development programme was not interrupted.

By 1974 the bulk of the management of the forest had been passed to the elected Trustees who were a group drawn mainly from the Whakatu and Tomoana Freezing works. At this stage, the programme was providing employment and training opportunities for younger members of the Union, many of whom were usually the first to be laid off at the start of the winter off-season period.

Continued exposure to commercial forestry operations and taxation legislation has greatly assisted the personal development of the Trustees. As they gained in confidence and expertise they have gone on to assist other groups with the development of three similar schemes. The gross assets of their own Forestry Trust are now over 3 million dollars and it appears that the original goals for the establishment of the Whakatu forest at Te Kowhai have now been largely met.

BENEFITS TO THE WORKERS

The Whakatu Afforestation Scheme has been socially significant in many areas, including :

- a variable savings scheme which has allowed an initial investment of .50 cents each week and can be varied according to the amounts of cash available from each individual. Lump sum contributions can also be made and the Trust now has members with individual investments worth in excess of \$20,000.
- The development of specialised work skills has allowed many freezing workers to set up their own forestry contracting gangs. Work of this nature has increased, with the area of forest planted and tended. It is now at the point of utilisation of the forest and are making the initial moves to develop skills in logging. Not only the work skills but the business management skills that will allow them to manage their own logging successfully.
- The availability of well paid jobs and good accommodation for younger workers during the off-season has had a stabilising influence and has generated pride in their own co-operative venture.
- The trustees have gained considerable expertise in management and finance. As opportunities have arisen for greater understanding of legal and taxation matters, the Trustees have gone on to take courses in Forestry Management and in Marketing of Forest Produce. The Whakatu Afforestation Trust joined the Logging Industry Research Association in 1980, seeking some guidance in forest harvesting and are intending to utilise whatever opportunity occurs to broaden knowledge. Management has already attended a Cable Logging Course run by LIRA last year.
- As an offshoot of the development of the commercial forestry operation, the freezing workers have gained the confidence to establish further commercial ventures

- under the leadership of Mr. Michael Kitchin. These have included a co-operative Investment Store along the lines of the Public Service Investment Society and the purchase and establishment of a deer farming venture in Central Hawke's Bay.

SUMMARY

The establishment of the Whakatu Afforestation Trust has shown that worker participation can be sustained on a long-term basis and the success of the venture has strengthened the pride and determination of the members to ensure that their own development projects can run profitably alongside and in conjunction with other capital intensive ventures.