

**Resource Community Formation & Change:**

**A Case Study of**

**KAWERAU**

**By**

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## **INTRODUCTION**

This paper reports the findings of a case study of Kawerau. It is one of a series of three case studies of forestry communities in New Zealand which are part of a project entitled "Resource Community Formation and Change" that has been funded by the Foundation for Research, Science and Technology. The other two case studies of forestry communities in this series are Murupara (WP 7) and Tuatapere (WP 8).

A variety of research methods were used in this case study which focuses on the history of Kawerau since the early 1950's. These methods included an analysis of census statistics, a review of published documents about the town and forestry sector, and five days of interviews in Kawerau during November 1997.

## **FORESTRY IN THE CENTRAL NORTH ISLAND**

The following description of the forestry sector in the Central North Island has been based on an earlier working paper which examined the regional, national and international trends and linkages of the sector in New Zealand from 1980 to the present (McClintock, 1997). That working paper updated an earlier profile of the forest industries provided by McClintock and Taylor's (1983) case study of New Zealand forestry towns.

Many of the soils in the Central North Island are of volcanic origin. The rainfall in the vicinity of the Kaingaroa plateau is between 1200 and 1800 millimetres per annum, with precipitation being heaviest during the winter and spring (Ministry of Forestry 1994: 7).

Land use in the Central North Island is dominated by pastoral farming. The region is the largest wood-producing area in New Zealand, however, with over two-fifths of the country's exotic forests in 1992 (Jarvis, 1994: 40). Extensive production forests are located on the volcanic plateau near Kawerau, Kaingaroa, and Tokoroa, and on the eastern side of Lake Taupo. Smaller production forests, or wood lots, are distributed throughout the region, while most of the natural forests are on the steeper hill country (Ministry of Forestry, 1994: 5).

Production forestry has been a significant feature of the Central North Island for over 70 years. During the 1930's there was a period of expansion in the region by New Zealand Forest Products. By the latter part of that decade 110,000 hectares of forest had been planted. A second phase of expansion commenced in the late 1960's with over half a million hectares of production forest being planted in the region by 1990 (Ministry of Forestry, 1994: 6).

There were five pulp and paper plants and 35 sawmills operating in the Central North Island during 1993. The pulp and paper plants included two Kraft mills located at Kawerau and Kinleith, and two chemical thermo-mechanical pulp (CTMP) mills at Kawerau and Ohakune. Eleven sawmills, all of which produced over 40,000 cubic metres, accounted for 86 per cent of the regional production of sawn timber. Furthermore, there were three panel board plants and four major post and pole manufacturers in the region (Ministry of Forestry, 1994: 12-15). The region's forestry exports are shipped out of the country through the port at Mount Maunganui.

Since 1980 the development of the forestry sector in the Central North Island has been shaped by two significant processes: the internationalisation of the industry and the changed role of the state. The focus of companies such as Carter Holt Harvey and Fletcher Challenge became global in the 1980's as

they purchased forests and processing capacity offshore. Foreign ownership of domestic processing and production forests also accelerated during this decade. The Bay of Plenty forests, including the Kaingaroa State Forest, were purchased by a consortium of Fletcher Challenge, Brierley Investments Ltd and a Chinese government company, Citifor, in 1996 (McClintock, 1997: 4-5).

The sales of state forests and the dissolution of the New Zealand Forest Service in 1987 signalled the government's withdrawal from the sector. This case study reveals that the restructuring of the Forest Service and the rationalisation of processing capacity by the major companies has had serious economic and social consequences for communities in the region.

## **KAWERAU - A TOWN CREATED FOR PROCESSING TIMBER**

Kawerau is located on the northern boundary of the Kaingaroa Forest in the Eastern Bay of Plenty. The town was established in the 1950's to house the workers at the pulp and paper processing plant of the Tasman Pulp and Paper Company Ltd.

The construction of a pulp and paper mill for Tasman Pulp & Paper Co. Ltd at Kawerau began in 1953 and was completed in 1956. At the height of the construction period over 2,000 men were employed in Kawerau; with most of them being accommodated in camps for single men. Families moved into the town when employment at the mill and housing become available. The land on which the Tasman mill stands was purchased from a local sub-tribe of Ngati Tuwharetoa. Members of this sub-tribe reside in the nearby district of Onepu (Metge, 1960: 167-168).

Kawerau is isolated from nearby farming communities because of its dependence on the forestry industry. It has not established links with the traditional activities of dairy farming and horticulture on the Rangitaiki Plains. Farms in the area have their market and retail associations with service centres some distance from Kawerau (James, 1979: 14; Whitelaw, 1962: 151).

## **DEMOGRAPHIC FEATURES**

### **Demographic characteristics**

The population of Kawerau grew rapidly during the first fifteen years of its development. Thereafter the rate of growth slowed until the middle of 1980's, when the rationalisation of the pulp and paper mill led to a decline in the town's population (see Table 1). The town's population peaked at 8,718 in 1981, but by 1996 it had fallen to 7,830.

*Table 1: Kawerau - Population changes 1951-1996*

Census Year	Kawerau		New Zealand	
	No. of Persons	% Change in Pop.	No. of Persons	% Change in Pop.
1951	*49	-	1,939,472	-
1956	2,740	-	2,174,062	12.1
1961	4,491	63.9	2,414,984	11.0
1966	5,826	29.7	2,676,919	10.8
1971	6,687	14.8	2,862,631	6.9
1976	7,783	14.6	3,098,900	9.1
1981	8,718	12.0	3,143,307	1.4
1986	8,553	-1.9	3,263,283	3.8
1991	8,310	-2.8	3,373,929	3.4
1996	7,830	-5.8	3,618,302	7.2

Note: Data for the 1951 to 1971 years are for the total population and that from 1976 onwards are for the usually resident population. Changes in population from the 1976 year are calculated using data for the usually resident population as these figures for 1971 & 1976 were published in the 1976 census reports.

\* This is the population of the locality as Kawerau did not become a borough until 1st April 1953.

Source: New Zealand Census 1951-1996

Kawerau had a relatively youthful population in both 1971 and 1991. Children under 15 years were over represented in the population, while the proportion of adults over 64 years of age was lower than for the nation. Males outnumbered females in both of these census years, but by 1991 the imbalance between the sexes had become less evident. Maori had become the major ethnic group in Kawerau that year, and at the following census in 1996 they were 58 per cent of the town's population.

### **Socioeconomic characteristics**

The unemployment rate of the working population of Kawerau was substantially higher than the national average in 1991. Almost three-quarters of male workers in the town belonged to the trade, machine operators, and elementary occupational categories in 1971, and by 1991 the proportion belonging to these categories had only fallen to 70 per cent (see Table 2). By contrast female workers were more likely to be engaged in white-collar occupations. Manufacturing was the predominant source of employment in both 1971 and 1996, although its share of total employment declined from two-thirds to just over a third during this period. The only other significant sources of employment for Kawerau's workforce during this 25 year period were the community/social (17% in 1996) and wholesale/retail sectors (16% in 1996).

Table 2: Occupational status of the workforce of Kawerau - 1971 & 1991

Occupational category	1971		1991	
	Male %	Female %	Male %	Female %
administrators/managers	1.7	-	6.1	9.9
professionals & technicians	9.7	18.7	12.2	24.7
clerks	5.3	34.2	2.1	29.1
service/sales	5.8	32.0	3.6	17.0
agriculture, forestry & fisheries workers	2.5	0.9	4.7	5.0
trades workers/machine operators/ elementary occupations	74.0	11.0	69.8	12.1
Total Number of Persons	1875	465	1731	546

Source: New Zealand Census 1971 & 1991

Residents of Kawerau held relatively less tertiary qualifications than the population of New Zealand in 1991, but their household incomes were higher than those at the national level (see Tables 3 & 4). There was a significant shift in the tenure of the town's dwellings between 1971 and 1996 (see Table 5); with the incidence of rental dwellings declining from 61 to 21 per cent of the total housing stock over this period as both the industry and government sought to divest their ownership of residential property.

Table 3: Highest educational qualifications held by residents of Kawerau - 1991

Highest educational qualification	% of residents	
	Kawerau	New Zealand
University & other tertiary	30.5	34.5
Secondary	19.9	18.8
No qualifications	39.0	30.6

Source: New Zealand Census 1991

Table 4: Distribution of Household Incomes in Kawerau - 1991

Household income range	% of households	
	Kawerau	New Zealand
Less than \$10,000	7.0	7.5
\$10,000 - \$30,000	26.7	34.6
\$30,000 & over	49.2	44.4

Source: New Zealand Census 1991

Table 5: Tenure of Dwellings in Kawerau - 1971 & 1996

Form of Tenure	% of dwellings	
	1971	1996
Provided rent free	6.3	2.3
Rented	61.1	21.0
Owned with a mortgage	29.4	43.7
Owned without a mortgage	2.5	26.4
Total Number of Dwellings	1415	2430

Source: New Zealand Census 1971 & 1996

## **INDUSTRY, WORK AND OCCUPATIONS**

### **The role of the state**

Government ownership of the Kaingaroa Forest was a major factor influencing the close partnership between the state and private sector that was epitomised by the establishment of Tasman's pulp and paper mill at Kawerau. State involvement in the project included the investment of £2 million of share capital; the provision of infrastructure, such as a 42 mile railway line, port facilities at Mount Maunganui, and a new roading network; and the guarantee of a monopoly to Tasman for manufacturing newsprint (Gould, 1982: 79). This partnership between the state and private sector helped the industry secure access to world markets and the technology for pulp and paper production. And by doing so it has produced significant economic benefits both for the nation and the Bay of Plenty region (McClintock and Taylor, 1983: 16-17).

### **Division of labour within the industry**

Kawerau was only one of several settlements in the vicinity of the Kaingaroa Forest that were developed to service the needs of the forestry sector. Every one of these settlements has a highly specialised role in the industry's division of labour in the Bay of Plenty region. Since the economic restructuring of the 1980's, however, the nature of those roles has changed radically. Kawerau, for instance, continues to be the site of two pulp and paper mills and a sawmill, although much of its workforce now resides outside the town. Murupara still functions as the railhead for shipping logs to Kawerau and Mount Maunganui, but many of the logging crews live elsewhere in the region. While villages, such as Kaingaroa, which formerly housed workers employed by the Forest Service for silviculture and forest maintenance, are now struggling to survive.

### **Dominance of major employers**

From 1956 the economy of Kawerau has been dominated by two major employers: Tasman Pulp and Paper Co. Ltd and the Caxton Paper Mill. Both of these employers are subsidiaries of multinational companies; with Tasman being owned by Fletcher Challenge Limited and Caxton by Carter Holt Harvey Limited. Another subsidiary of Fletcher Challenge, Fletcher Forests operates a large-scale sawmill, and other processing facilities, on a site close to the Tasman Mill.

Some 2,000 people worked for Tasman and Caxton in 1976; with most of the remainder of the town's workforce being employed by eighty smaller firms (James, 1979: 88). Nowadays only about half of the 1,200 employees of the Tasman Mill actually reside in Kawerau (Capitivating Kawerau, 1997: 40). Some of them prefer the lifestyle of the smaller coastal settlements of the Bay of Plenty, while others commute from Tauranga, Opotiki and the rural district around Kawerau.

### **Technology and work**

The capital-intensive technology which is used by Tasman and Caxton for manufacturing pulp and paper requires the plants to operate for 24 hours per day. Process workers are expected to work shifts and this has a direct impact on family life (see below). Nowadays at the Tasman Mill most workers rotate the 12 pm to 8 am, 8 am to 4 pm and 4 pm to 12 pm shifts over one week instead of over three (the former practice). They work two days on each shift over a six day week, take two days off, and

start the cycle again. The staff operating the new thermomechanical pulp (TMP) plant, however, work four days of a 12 hour shift - midnight to midday or vice versa - which is rotated during the next four day period. On each shift three operators and a few ancillary staff use very sophisticated computer technology to control the production process.

James (1987: 113-117) studied the previous three-shift system which rotated over three weeks. Under this system wives varied their domestic routines according to which shift their husbands were rostered. One of the advantages of shift work for wives was that their husbands could share daytime activities such as childcare, shopping and leisure. Meals, however, were served in deference to the man's work schedule. Furthermore, mothers with young children experienced problems managing the needs of the children with the demands of their husbands' shift work. Some wives recognised there were benefits of shift work including the relative freedom to pursue their own activities, the opportunity to reorganise childcare and housework, the contribution some husbands made to household tasks, and the opportunity for fathers to spend more time with their children. Nonetheless, when children started school the opportunity for fathers to be with them was more restricted and shift work also limited family time on the weekends.

The sawmill operated by Fletcher Forests at Kawerau also uses computerised technology. Large investments in plant have been made by Fletcher Challenge at both the sawmill and pulp and paper mill over the last two decades. As new technology has been introduced the workforces at these plants have been reduced substantially; with the number of persons employed at the Tasman Mill declining from around 2,000 in the mid 1980's to the current level of 1,200. When new technology was introduced on the pulp baling line five years ago, for instance, the number of workers on each shift was reduced from 13 to nine. Reductions have not only occurred amongst production staff however. Tradesmen, such as electricians and maintenance engineers who were laid off some years ago, have come back to work at the Tasman Mill as employees of contracting firms.

Tasman has always had a relatively high wage structure as a deliberate policy to attract workers and their families to live in a remote part of the Bay of Plenty. Since the introduction of the Employment Contracts Act, however, pulp and paper workers are paid a salary and can be asked by Tasman to work an additional 200 hours of overtime a year without extra payment.

Tasman recruits highly skilled people who can operate the improved production systems. People with tertiary qualifications fill positions at the supervisory level and above. Tasman also encourages its employees to undertake further study. Formerly jobs were available to men who held no school qualifications, but now employees are required to have school certificate in English, Science and Mathematics, or higher qualifications.

Workers are being organised into teams of six or seven at the Tasman Mill. Each team chooses its own leader and workers participate in the process of selecting new members of their team. Every member of a team has a particular responsibility such as quality control or safety.

Until eight or ten years ago, when the first woman, an Australian, commenced work at the Tasman Mill as a pulp and paper worker, the production staff were entirely male. Although there has been a growing number of women employed as pulp and paper workers since then, the processing of pulp and paper remains a male-dominated activity.



## **Occupations and class structure**

In 1996 about a half of Kawerau's workforce of 2,601 persons were engaged in blue-collar occupations. Another third of the town's workers were employed in white-collar occupations as managers, professionals, technicians and clerks.

The occupational structure of the forest industry is the product of the industry's technology and associated work processes, and shapes the pattern of social stratification in Kawerau (McClintock and Taylor, 1983: 55). James (1979: 59-60) discovered a vertical division in the town between those people who were employed by Tasman and Caxton and those who worked outside the industry. She found that the roles and positions of employees in these two companies had a significant influence on their social status and behaviour in the community. Within the industry itself the most basic division was between staff and those workers who were paid hourly rates. Furthermore, there were various graded positions within the staff category ranging from top management positions, through technical specialists, to foremen (James, 1979: 202).

## **REGIONAL AND LOCAL ECONOMY**

### **Kawerau's role in the forestry industry of the Bay of Plenty**

The Tasman and Caxton pulp and paper mills, and the Fletcher Forests sawmill at Kawerau have a significant impact on the regional economy of the Bay of Plenty. Trucks transport logs from the middle and southern parts of the Kaingaroa Forest to the railhead at Murupara. Logs from the northern part of the Kaingaroa Forest and the Tarawera Forest, however, are trucked direct to Kawerau. Every log is graded by an experienced logger to indicate its use (i.e. lumber or pulp) and when it arrives at the mill site in Kawerau it is stockpiled until it is required for production. Then the finished products - timber, pulp and paper - are taken by rail to Mount Maunganui where they are shipped to overseas markets. Many shorter logs are sent directly to Mount Maunganui as they are preferred by Asian buyers. The sawmill at Kawerau only uses logs from the northern part of Kaingaroa Forest, while logs from the southern part of the forest are processed at Fletcher's sawmill at Taupo.

Waste from both the Tasman and Caxton Mills is discharged into the Tarawera river, and both plants produce odours that can be smelt at some distance. Tasman has spent considerable sums of money during recent years to reduce odours and upgrade the treatment of its waste. Even so the discharge of effluent into the Tarawera river has attracted protest action from environmental groups such as Greenpeace.

### **The regional and national economic impacts of Tasman Pulp and Paper Co. Ltd**

The Tasman Mill processes some two million tonnes of wood annually to produce about 400,000 tonnes of newsprint and 200,000 tonnes of Kraft pulp. Currently it employs 1,200 people in Kawerau and a further 200 at Mt Maunganui, Auckland and overseas. The gross payroll is over \$80 million per annum. Other businesses have located at Kawerau both to provide inputs or utilise outputs of the Tasman mill. Tascor, for example, manufactures the cores for the reels of newsprint, while engineering and other firms provide a variety of contract services to the plant (Hughes, 1996: 6). Hughes (1996) has calculated the economic impacts of the Tasman Pulp and Paper Company Ltd on the Bay of Plenty region and New Zealand. He estimates that in 1995 Tasman was responsible for almost 15 per cent of

the regional output of the Bay of Plenty, and had an overall economic impact on the nation amounting to one per cent of the economy (Hughes, 1996: 17,21).

Job losses at the Tasman and Caxton Mills have had flow-on effects on other sectors of the regional economy. One of our informants indicated that for every job lost at one of these mills another 1½ jobs are lost in other industries in the Bay of Plenty. These job losses in timber processing, moreover, have been accompanied by declining employment opportunities in kiwifruit and other horticultural production on the Rangitaiki Plains.

### **The local economy of Kawerau**

An early survey of business activity in Kawerau by Whitelaw (1962: 153) found that the majority of business people in the town estimated that their amount of turnover with out-of-town customers was between five and seven per cent. However, a more comprehensive study undertaken by James (1979: 74-75) during the late 1970's estimated that out-of-town custom amounted to ten per cent for retailers and 20 per cent for small industrial and servicing firms. Most of the town's 80 businesses at that time were small-scale enterprises which employed some 900 people between them.

Since the mid 1980's the workforce at the Tasman Mill has declined from 2,000 to 1,200 persons and only half of the employees reside in Kawerau. Those workers residing outside the town purchase their goods and services from other towns in the region, while many who live in Kawerau shop in Whakatane and Rotorua where prices are cheaper. When the Tasman workforce was gradually reduced there was an exodus of employees from Kawerau. There were a lot of empty houses and unemployed people receiving benefits moved into these dwellings. The result was a loss of purchasing power in the town which seriously affected the retail trade.

Over the last ten years a lot of smaller industrial firms have been established in Kawerau on an estate near the Tasman Mill. There has not been a significant flow-on effect to the rest of the local economy, however, as many of the people who work for these firms live outside the town. Tasman also contracts work to firms based outside Kawerau, but there have been some spin-offs to local businesses which provide accommodation for the staff of the contracting firms.

The turnover of the light industrial firms (based in Liverpool Street), which are mainly servicing the forestry industry, has improved over the last five years. For all kinds of retail businesses in the town except video shops, however, both turnover and employment have declined during this period.

A survey of 83 firms based in Kawerau during 1997 noted that over half of them had been operating for more than five years. Sixty-nine (83%) of those firms, moreover, reported that the overall trend for businesses in the town over the previous five years had been one of decline. The authors made several recommendations which indicate the perceived weaknesses of the retail trade in the town. These recommendations included an increased variety of shops and goods, coordinated shopping hours, more competitive prices for goods and an upgrading of the downtown area (Capitivating Kawerau, 1997: 3, 16).

The issue of the town centre is being addressed by a mainstreet programme managed by Capitivating Kawerau. As part of the programme a group of landscape students from Waikato Polytechnic prepared a Streetscape Proposal. They identified several negative features of the town centre in their proposal such as untidiness, inconvenience for both customers and businesses, partially effective parking, poor lighting, and an unattractive appearance (Waikato Polytechnic, 1997: 22).

## **Diversifying the economic base of Kawerau**

The Kawerau Enterprise Agency was established about twelve years ago to reduce the town's dependence on three major employers - Tasman Pulp and Paper Co. Ltd, Fletcher Forests and Carter Holt Harvey Ltd. Its goal is to establish businesses in Kawerau by providing expertise, premises and industrial sites. Some funding is provided by the Kawerau District Council, while Tasman and Fletcher Forests currently contribute \$20,000 per annum.

The Kawerau District Council have also established a fund to promote industrial diversification. A core group of councillors, and some members of the business community, are targeting enterprises that will either add value to timber by further processing or that will provide support for forestry processing ventures. This group has also concluded that the town cannot compete in the tourism industry with other centres in the region.

Tasman has also provided an interest free loan of \$1.2 million to establish a light industrial estate near its mill. This industrial estate has warehouses and workshops. Most of the firms service the Tasman Mill as contractors, but a rigging company has diversified its customer base by working in Taranaki and at the steel mill at Glenbrook.

One informant suggested that the type of business activity that could be attracted to Kawerau would be energy intensive or labour intensive. He explained that a newcomer could negotiate an agreement with Tasman to use geothermal power, and cited the example of the computer assembly and service industry as an example of a labour intensive activity. The main disadvantage for businesses, he felt, was Kawerau's location outside the Rotorua-Tauranga-Whakatane triangle.

## **Employment**

Much of the employment available in Kawerau and its rural hinterland is casual or seasonal in character. This type of employment is provided by engineering companies and market gardeners. The engineering companies employ a high proportion of casual staff whom they hire or fire as their contract work dictates. Market gardeners on the other hand now require more workers, particularly for asparagus, as a result of increasing the size of their landholdings. Within the forest industry there are jobs for skilled workers for logging and silviculture, and at the Fletcher Forests remanufacturing plant at Kawerau. The level of unemployment in the district (November 1997) was about 80 per cent of its peak at the end of 1991. Most of the skilled people who were unemployed in 1991 have since found jobs, but there were still 1,200 people unemployed in the area. About 150 of them were young people under 21 years of age. Most of the remainder were unskilled Maori men aged between 28 and 42 years.

## **PHYSICAL AND SOCIAL INFRASTRUCTURE**

### **Company and Council**

Kawerau has a long history of close cooperation between local government and the Tasman Pulp and Paper Co. Ltd. It was established as a borough by the Governor General through an Order in Council dated 31 March 1954, and Francis Prideaux was appointed as Town Commissioner the following day. The Town Commissioner was assisted by an advisory committee that had several representatives of Tasman. Some of Tasman's power was devolved to the community in 1959 when a mayor and five commissioners were elected and another three were appointed by the company. This formal devolution

of power was completed when the first full Borough Council, consisting of a mayor and ten councillors, was elected in October 1968 (Moore, 1991: 97-98, 101 & 104). Both Tasman and Caxton, however, retained some form of indirect participation in local body affairs through their employees who were elected to the Council (James, 1979: 178). Unlike other smaller territorial authorities the Borough Council retained its autonomy after the local government reforms of the late 1980's and was reconstituted as a district council.

### **Infrastructure and funding**

The Kawerau District Council has a capital rating system. The Tasman Mill currently contributes \$1.43 million of the total rates revenue of \$4 million. This sum paid by Tasman represents the bulk of the 40 per cent of rates that are paid by the commercial sector. An informant attributed the high standard of parks and reserves in the town to the desire of the Kawerau District Council and Tasman to prevent Kawerau looking like “*a typical timber town*”.

The Kawerau District Council confines its activities to the traditional role of providing for the water supply, sewage, roads etc. It is not following the approach of other councils that are moving towards “user-pays”. Use of the library and a heated swimming pool, for instance, are services provided without any charges to the public.

### **Housing**

During the early stages of Kawerau's development, the state, through the Ministry of Works, built most of the dwellings in the town. Most families were tenants either of a state agency or the employer of the breadwinner. Metge (1960: 168) notes that in April 1960 two-thirds of the 843 houses in Kawerau were owned by the State Advances Corporation, while another fifth was owned by Tasman. This tenancy situation began to change in the 1960's, however, when Tasman implemented a new policy that encouraged its employees to buy company houses (James, 1979: 135). By 1996 about 70 per cent of the town's dwellings were owner-occupied, whereas just under a third belonged to this category in 1971.

Another feature of Kawerau's housing during the first two decades of its development was the presence of single men's camps. When the mills were being built, and later during extensions to the Tasman Mill in 1965 and 1974-75, hundreds of workers were housed in these camps. Tasman required certain standards of behaviour in its camps such as excluding women from the accommodation areas and prohibiting additional fittings in the rooms. Furthermore, the usual distinctions between work, leisure, and domestic activities were blurred by the regular comings and goings of other shift workers (James, 1979: 150-151).

There are several broad residential areas in Kawerau including the original uniform housing built for employees of Tasman, the localities where land first became available for privately owned dwellings, later housing subdivisions, and the ‘nob hill’ area which formerly provided housing for company executives (James, 1979: 68). These residential areas became associated with the system of social stratification in Kawerau as people with similar occupational status resided in close proximity to one another (*ibid.*: 204, 206).

In the early 1980's Tasman had aspirations to install a new paper machine at the mill, and a new housing subdivision was established at Hilldale. The project was cancelled, however, because of weak

market conditions and an inadequate supply of wood. The Housing Corporation was thus forced to sell off sections cheaply in blocks of ten lots. Some of the houses which were built on these sections became occupied by solo parents and the subdivision became known as “*Nappy Valley*”.

Many families left Kawerau after the restructuring at the Tasman Mill. There were a lot of empty houses in the town and younger unemployed people from the cities moved into them. Nowadays, houses are rented for up to \$140 per week. In the view of one informant there are a number of houses in the town that are marginal as to whether they are fit to live in or not. There is also overcrowding in some houses that are occupied by welfare beneficiaries.

Another recent trend has been an inflow of older people who have come to Kawerau to retire. They usually know someone in the town and come from a variety of places including Auckland, Hamilton, Waihi, Whakatane, Opotiki, Gisborne, Rotorua, Taupo and Wanganui. They sell their existing homes, buy a cheaper house in Kawerau, and have some surplus cash for a car or overseas holiday. Maori are also returning to the town to rejoin their extended family, to have access to jobs in the forest industry, or to live more economically on welfare benefits.

### **Education and training**

There are four primary schools, an intermediate school and a secondary school in Kawerau. School rolls grew rapidly from 1956 until the early 1980's when the town's population began to decline. James (1979: 121) notes that there were some 2,800 pupils attending these six schools in 1978, when the population of the town was in excess of 8,000. Nowadays, some parents have become dissatisfied with the standard of secondary education available in the town. A number of them are sending their children by bus to Whakatane High School or private schools in the district, while other people have left Kawerau to secure a better education for their children.

Vocational training is available in Kawerau; with employers having a significant role in the programmes. There is a NZQA registered training school at the Tasman Mill which is operated and funded by the company using the Workplace Education Trust from Auckland. The school upgrades literacy and numeracy skills, conducts courses in Maori language, assists employees from Tasman and the Fletcher sawmill who are rehabilitating from accidents by giving them appropriate training, and provides support for employees taking correspondence courses. A local engineering firm has also set up a welding course for young people on a site near the Tasman Mill. Several young people who have been through this course have secured adult apprenticeships. Furthermore, there are other training programmes organised by the local Maori community.

### **Agencies and social welfare organisations**

When the population of Kawerau was growing rapidly during the 1960's and 1970's there was a heavy demand on public services. Often the agencies of central government were slow to respond to this upsurge in demand, and residents had to travel to other centres such as Whakatane to conduct their business with the agencies (McClintock and Taylor, 1983: 62). Currently both Income Support and the New Zealand Employment Service maintain permanent offices in the town, whereas twenty years earlier the Departments of Social Welfare and Labour only made regular visits. The town has also retained a Post Shop. Other publicly funded services operating in Kawerau include the Police and an associate youth worker, Community Corrections, and a variety of health services provided by Whakatane Hospital.

There are also a number of community based or privately operated welfare organisations operating in the town. They include a counselling service, a budget service, a community health committee and several support groups such as Alcoholics Anonymous and Weight Watchers.

## **RESOURCE AND ECONOMIC PLANNING AND LOCAL GOVERNMENT**

The Kawerau District Council administers the town, an industrial zone which includes the pulp and paper mills and the Fletcher Forest plants, and a rural lifestyle zone in which the land is currently owned by the Land Corporation and the Office of Treaty Settlements. Matters such as water quality and air quality, however, come under the jurisdiction of Environment Bay of Plenty.

Water discharges from the Tasman and Carter Holt Harvey Mills have aroused considerable concern among residents of the Eastern Bay of Plenty about the pollution of the Tarawera River (Environment Bay of Plenty, nd: 55-56). Tasman has responded to community concerns about odours generated by its mill and the effects of its discharge on water quality by upgrading its treatment facilities. In 1996, for instance, the company spent about \$17 million on two projects to improve the treatment of effluent from its operations (Eastern Bay News, 18/1/96). Both companies have recently applied to Environment Bay of Plenty for water discharge permits.

Forestry has a “permitted status” under the proposed District Plan for Kawerau. Tasman has recently raised with the Kawerau District Council the possibility of leasing land in the rural lifestyle zone to grow eucalyptus trees for pulp and paper production.

## **COMMUNITY**

### **Industry as citizen**

The boundaries between the industry and the community are often indistinct in towns like Kawerau that are dependent on a single industry and two or three major companies for their economic well-being. The relationship a particular company develops with the community, however, is shaped by its corporate culture. Tasman, as we have already seen, took a leading role in local government during the early stages of Kawerau’s development. And it has also provided funds to many organisations and projects in the town. Yet at various stages in the town’s history (e.g. during industrial disputes) its role as a corporate citizen has evoked feelings of frustration, bitterness and ambivalence amongst the town’s residents (McClintock and Taylor, 1983: 80-81). Although only about half of the workforce of the Tasman Mill reside nowadays in Kawerau, many people in the town still refer to the company as “Uncle Tasman” and expect that it will provide jobs and amenities for the town.

While Tasman maintains a high profile among the town’s residents, the management of the Caxton Mill have had a markedly different relationship with the community. Formerly, the Caxton Mill was owned by the Spencer family and functioned as a private company. Under the ownership of the Spencer family, the management of Caxton was reluctant to participate in community affairs or to contribute to community projects. Moreover, councillors and other community leaders have felt uneasy about the “*secrecy*” with which Caxton has conducted its operations. Even after the Caxton Mill was purchased from the Spencer family by Carter Holt Harvey Ltd in 1988, management have remained aloof from the everyday affairs of the town.

## Community organisations and leadership

Kawerau has been well served by community organisations since it was founded. James (1979: 31-34, 45-51) estimated that there were over a hundred of them during the 1970's including social service groups, ethnic associations and churches. They have helped to integrate the community by building social networks among residents that transcend some of the occupational, ethnic and other divisions within the town.

One informant described Kawerau as being “*a young people’s town*” with “*a great community attitude*” during its formative years. While some people came to stay and make things happen, others wanted to make money and get out. Now there are more elderly people in the town, and it is becoming more difficult to find younger people who are willing to be office bearers in community organisations.

## Social Problems

Kawerau, like other parts of rural New Zealand, has experienced many of the negative effects of restructuring the economy during the 1980's. These effects have been most evident in the growing incidence of welfare dependency, unemployment, drug abuse, crime and other social problems within the community.

The residents of the Kawerau area are heavily dependent on welfare payments (see Table 1 below) with many of them receiving unemployment and domestic purposes benefits.

The high unemployment rate in Kawerau is not entirely due to reductions in the workforces at the pulp and paper mills. Unemployed people and other welfare beneficiaries from the cities have been attracted to the town by the availability of low rental housing. These houses were formerly occupied by pulp and paper workers who were made redundant or who wanted to live outside the town while remaining in the industry.

There are high levels of substance abuse in Kawerau. Marijuana is easily obtainable from many plots grown in the plantation forests of the Bay of Plenty region. Alcohol abuse is also prevalent with drink driving being of major concern to community leaders. Furthermore, the town has one of the highest rates of per capita gambling in the country.

Table 6: *Types of Welfare Benefits received by residents of the Kawerau area during the quarter ended 30 June 1997*

Type of Benefit	Number of Benefits Paid	Per cent of Total Benefits
Unemployment	895	46.9
Sickness	153	8.0
Invalids	117	6.1
Domestic Purposes	742	38.9
TOTAL	1,907	99.9

Source: Personal communication of 3 December 1997 from the Bay of Plenty Office of Income Support.

Recent police checks in the town revealed a low level of compliance with motor registration and safety regulations. Burglaries are common with young people of school age being responsible for most of these type of offences. The Kawerau Police imposed a curfew on the young people in September 1996,

and reported it had an immediate impact by reducing the incidents of assaults and property damage in the district (Eastern Bay News, 26/9/96).

An analysis of criminal offences recorded between 1993 and 1995 by Police Stations in the Eastern Bay of Plenty (including Kawerau) states that in the region “the majority of cleared offending is committed by Maori males under the age of thirty years” (Llewelyn, nd). Other statistics collected by the Police for the 1996/97 year, moreover, indicate that while drug and anti-social offences in Kawerau were up by 14 per cent on the previous year and dishonesty offences by 18 per cent, violent offences had declined by 25 per cent and property damage offences by 34 per cent (Eastern Bay News, 9/10/97).

## **Maori**

Maori comprised 58 per cent of Kawerau’s population in 1996. Yet 25 years before they were only 29 per cent of the town’s residents. During recent years many Maori have settled in Kawerau to re-establish links with their family, to secure jobs in the forest industry when they are available, or to take advantage of the cheaper cost of living (e.g. rentals) that allow them to live more comfortably on welfare benefits than in the city.

The pulp and paper mills of Tasman and Caxton and the sawmill and other facilities of Fletcher Forests have provided employment for thousands of Maori workers over the last forty years. However, the growing demand by these companies for more highly skilled labour has badly affected the Maori communities of the eastern Bay of Plenty over the last decade.

Yet Maori still constitute 55 per cent of the 1,200 workers at the Tasman Mill. Tasman funded the building of the multi-tribal marae in Kawerau and there is a company representative on the board of the marae. The company also provides scholarships to assist young people of the Tuwharetoa ki Kawerau iwi, and other members of the local Maori community, obtain tertiary education.

## **Women and young people**

Women and young people have a relatively disadvantaged position in towns dependent on the forest industry as employment opportunities in the sector are heavily oriented towards adult males (McClintock and Taylor, 1983: 88). The business sector in Kawerau is small in size. Most women are employed as clerical workers, cleaners, and shop assistants. A few are teachers or other professionals.

During the 1990's there has been a growing number of women working as pulp and paper workers at the Tasman Mill. There are also other opportunities opening up, such as the measuring and sorting of logs, for women to work in the industry. Yet their battle to compete on equal terms with their male counterparts may be difficult if experience elsewhere in the forest industry is a reliable guide. As Munro (1993: 383), in her study of women pulp and paper workers at the Kinleith Mill of Carter Holt Harvey, observes:

“Women are seen to be less capable of carrying out particular jobs because they are women. Restrictions on what is and what is not acceptable for them [to] do are placed upon them by their male co-workers who often assume the role of ‘protector’. If a women [*sic*] completes a job assigned to her without asking for some form of aid from a male co-worker then often she is seen as being ‘butch’ or ‘unfeminine’ in nature.”



Munro also reports that the women in her study were harassed by sexist jokes or remarks, and that the facilities (i.e. toilets) provided by the company did not cater fully for the needs of females.

Young people experience similar difficulties securing employment in Kawerau. The town does not have the variety of occupations available in regional centres like Whakatane, Tauranga or Rotorua. Neither is there an extensive range of tertiary education and vocational training available in the town. Thus many of Kawerau's young people, like their counterparts in other parts of rural New Zealand, have to migrate to the cities to obtain employment or training.

Recreational activities available for young people are also limited. There is the usual range of sporting clubs, and a second video shop was opened in November 1997. Some young people in Kawerau, however, have found less lawful activities to occupy their leisure time as the high number of property and violent crimes committed by them indicates.

## **CONCLUSION**

Kawerau was established for the sole purpose of processing timber from the Kaingaroa Forest. Two major employers, Tasman Pulp and Paper Co. Ltd and the Caxton Paper Mill have dominated the economy of the town for about forty years. Production at the two pulp and plants owned by these companies, and at the sawmill and other processing facilities owned by Fletcher Forests, has gradually become more capital intensive as the companies have responded to fluctuations in pulp, paper and timber prices by raising labour productivity and reducing their workforces. The exodus of employees and their families from Kawerau left a lot of vacant houses that have been occupied by welfare beneficiaries and retired people. The retail trade in the town has been seriously affected by this loss of purchasing power, and there is a growing incidence of welfare dependency, unemployment, drug abuse and crime in the community. Maori, in particular, have experienced the negative effects of these changes in the pulp and paper industry, but they still comprise 55 per cent of the workforce at the Tasman Mill. With many workers employed at the processing plants nowadays residing in other parts of the eastern Bay of Plenty, it is unlikely that any upturn in the global prices for pulp, paper and timber will generate the rapid population and economic growth which characterised the first three decades of Kawerau's existence.

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