

THE BUSINESS HISTORY OF THE MATAURA PAPER MILL

1976-2000

November-December 2000

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CONTENTS

MATAURA PAPER MILL BUSINESS HISTORY 1976-2000

Abstract	3
Centennial Celebrations	4
The Paper Mill's Employees Social Club	4
General Time Line	4
Mill Operations	6
Financial and Market Position	6
Mothballing 2000	7
Appendices	8
Bibliography	10
Endnotes	11

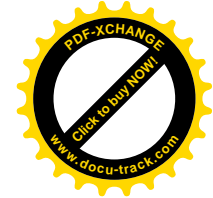


ABSTRACT

The aim of this study is to provide a complete business history of Southland's Mataura Paper Mill from 1976 until its closure in 2000. John Angus' *Papermaking Pioneers 1876-1976* offers a well researched chronology of the mill from its promising beginning and illustrious early years. But the business history after 1975 is left largely unexplored. By filling in this twenty-five year void, this study hopes to provide the necessary background information for David Finkelstein and Sydney Shep's study 'Migration, Identity and Scots-New Zealand Print Culture Traditions, 1860-1980'. In turn, their project aims to explore the social and cultural impact of Scottish workers on the community and printing traditions.

Locating sources for this investigation has proved problematic. A lengthy exploration of the Wellington City, Victoria University and National libraries has produced few sources. Likewise, the Index New Zealand and Proquest databases gave only a small amount of leads. Searching the internet has proved most helpful, but information tended to be sporadic with an extremely narrow focus. Throughout this investigation, it has become evident that there is very little historical research into the Mataura paper mill. Further information would best be obtained by company records and the mill's archival material. This was not a feasible option for this study.

Overall, this study follows the decline of the Mataura paper mill. As depicted in Angus' book, Mataura was once a major player in New Zealand's paper industry. However, since its jubilant centennial celebrations in 1976, Mataura's market position has steadily weakened. Competition within New Zealand and from abroad proved too much for the Southland mill. And so despite attempts to carve a niche market in specialty papers, the mill was mothballed in 2000.



MATAURA BUSINESS HISTORY 1976-2000

CENTENNIAL CELEBRATIONS

To celebrate the 100th year of production at the Mataura Paper Mill in Southland, the mill closed over the weekend to enable employees to join in the social events and festivities.¹ Preparations for the June celebrations took extensive planning. Earlier in the year a select committee was formed to organise activities. In addition, many of the current employees saved a portion of their weekly pay packet to help raise money for the local St. John Ambulance Association. The company and the mill staff shared the cost of the fundraising project equally and presented their contribution as a climax to the celebrations.

Commemorative celebrations included a banquet, ball and gala day for all employees, their partners and a number of especially invited guests. Deputy Prime Minister, Mr Talboys, attended the centennial and honoured the company as toastmaster.²

A few weeks later, the mill hosted drinks and a meal for former mill employees. Guests travelled from across the country to attend. Ex-workers were given a tour of the mill. Many found the mill “almost unrecognisable” due to the extensive developmental changes throughout the years.³

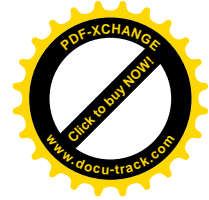
THE PAPER MILLS EMPLOYEES SOCIAL CLUB

The Paper Mill Employees club was established in 1944 and reached its peak in the 1950s.⁴ The club organised banquets, balls, full scale reviews, Christmas productions, sports days and spring shows. Each sporting event concluded with a dance at the Mataura Town Hall.

The club was still active in 1976. In the same year of the centennial, the Social Club organised inter-department cricket, softball, tennis, fishing, bowls, darts and golf. The club also introduced beard-growing as a light-hearted competition.⁵

GENERAL TIMELINE

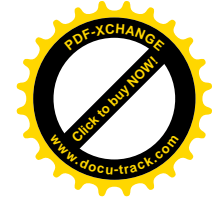
- | | |
|-------------|--|
| 1984 - 1991 | A series of minor upgrades improved plant efficiency, increasing production by 25% while the workforce decreased from 256 to 216. ⁶ |
| 1987 | An early June morning, \$2 million worth of imported pulp that was stored outside was destroyed by a suspicious fire. |
| 1990 | The waste paper pulping system and effluent plant were scheduled to be upgraded. |



- 1991 Carter Holt Harvey (CHH) takes over from Elders-Resources-NZFP. Mill production reaches a record high.⁷
- 1997 Mataura produced approximately 25,000 tonnes of paper per year. Paper varieties included photocopying, water marked, plain note paper, wall paper base, recycled bags and wrapping paper. Mataura also produced 'Ecolade' made from 100% post consumer waste. However as by-products of the manufacturing process, 5,000 tonnes of waste water were discharged into the Mataura River and excess sludge had to be land-filled.⁸
- In July the worn No. 2 paper machine that had been in operation for approximately ten years, required an upgrade. The 9 DC drives of the old machine were replaced with AC drives.⁹
- 1998 The Mataura mill gained resource consent to expel into the Mataura River 6,000 square metres of treated paper-making waste per day. Conditional to monitoring and reporting regulations, the consent was to expire in June 2007.¹⁰
- 1999 Mataura Paper Mill conjoined with CHH-owned company BJ Ball Papers in an innovative move to produce higher margin value added papers and boards. Product developments included new tinted papers, a changed water mark branding, a new cotton-infused paper and new product labels 'original', 'cotton', 'recycled' and 'private label'. The BJ Ball Papers and Mataura venture extended to Australia's Raleigh Paper to capitalise on export opportunities. Mataura's new range of speciality 'text and cover' papers and boards contained flecks, colour, textures, hair, fibres and surface coatings. The new products also embodies fresh design and branding features for example, a range of coloured papers were marketed under a 'moods' concept. Coloured papers were given names such as 'raucous red' and 'livid lime'. The changes were sparked from Mataura's inability to compete with imported realms of regular paper that were often cheaper and of a higher quality.¹¹ The innovative strategies exemplified Mataura's move to establish an unrivalled niche market. The changes were met with an enthusiastic optimism for the mill's survival.¹²

MILL OPERATIONS

In 1993, the Mataura mill employed 230 people, including twenty women. 181 of the workers were on wages, the remaining one-sixth were paid salaries. Nearly all of the salaried workers who



were in administrative positions, lived outside the Mataura township, whereas wage workers typically resided locally.¹³

A 1993 publication recorded that the mill employs a four shift system that operates every day except the 25th and 26th of December.¹⁴ Shifts are eight hours long and the average worker operated on a system of six days on and two days off.¹⁵ Workers tended to display moderate unionist persuasions, preferring on-site, verbal negotiation rather than strike action.¹⁶

Many men and women from Britain and to a lesser extent, the Netherlands, immigrated to New Zealand under the New Zealand Immigration Department recruitment scheme. Some immigrants took up residency in Mataura and found employment at the local paper mill. As part of the immigration scheme, the new residents were required to work for a minimum of two years in a particular industry.

FINANCIAL AND MARKET POSITION

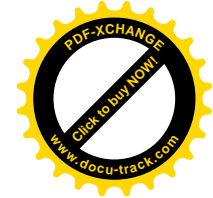
In the years 1997 to 2000, the Mataura Paper Mill lost approximately \$1 million each year. Mataura could not compete with the much cheaper imported Asian products, which had recently flooded the market and lowered paper prices world wide.¹⁷ Mataura also imported most of its pulp, which had risen 60% in price since the beginning of 1999. Financial strain only intensified with the decline of the New Zealand dollar and changing consumer tastes.¹⁸

Mataura had been described as “the South Island hub of recycled paper manufacturing”.¹⁹ 6,000-7,000 tonnes of recycled paper were produced a year. Raw material for this paper was sourced from the South Island, but with the closure of the Mataura paper mill, these materials have since been exported overseas. At the time of its closure, Mataura manufactured paper for photocopies and laser printers, water head paper for business letters and coloured paper. In terms of volume, Mataura’s annual output was less than 3% of CHH’s entire pulp and paper sector with 13,000 tonnes for the domestic market and 6,000 tonnes for the Australian market.²⁰

MOTHBALLING 2000

The mill’s six monthly review, in November 1999 described Mataura’s financial result as ‘disappointing’.²¹ By May 2000 management and union officials agreed to continue current employment contracts for three months. In July 2000, production ceased as Mataura’s 155 staff members attended a meeting at the Town Hall.

CHH chief executive Chris Liddell announced the company’s decision to mothball the Mataura Paper Mill on the 18th of August. He outlined various external factors that have necessitated the mill’s closure, “it has got to the point where it is unfeasible for us to continue production in the



current environment”.²² The mill was to remain idle until market conditions made production viable, but Liddell warned the chance of reopening the 124 year old mill was slim.²³

The company also announced that \$20 million had been allocated for redundancy and superannuation payouts. Mill manager Rob Davies announced that a resource centre would be promptly established on site to offer counselling, seminars and advice on financial matters, business schemes, retirements, superannuation and other benefits.²⁴ A toll free phone line offered such support to Maitava staff after normal business hours.

Economic Development Minister Jim Anderton pledged the Government’s support to help CHH orchestrate new economic opportunities in the township. The primary focus of this was a cash injection into the Gore District Council to fund local economic development. Although CHH spokeswoman Dellywn Stuart refused to disclose the amount, the grant was understood to be about \$90,000.²⁵ After the announcement, some workers expressed relief at the news given the speculation of the closure for at least two years. Many workers anticipated leaving the district, possibly to Australia in search of employment.²⁶

Jim Jones, the National Distribution Union wood Sector Secretary commented on the “good conditions of employment” and credited CHH as one of the “best payer of wages”.²⁷ Before the meeting, security guards prevented a potentially antagonistic response as Maitava grocer, Geoff Cowan was prohibited entering the Town hall with two trays of eggs.

APPENDICES

A. from D.C.W. Muir, *Mataura: City of Falls*, Gore, 1991, p. 200

This photograph shows the Paper Mill Maintenance staff of 1976.



Paper Mill Maintenance Staff 1976

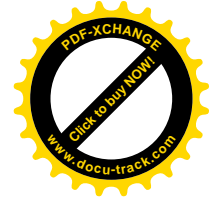
Back row: A. McVicar, A. Pearsey, H. McCall, R. Marks, A. Cook, A. Edgar, C. Pearsey, T. Allen, McKerchar.
Row 5: R. Todd, J. Finch, G. McElwain, J. Knapp, J. Harrington, G. Wairepo, A. Cockcroft, G. Neima
H. Jeurgenson, T. Twinning, C. Stewart, N. Neiman.
Row 4: R. McDonnell, C. Kirby, D. Allott, D. Tayles, R. Braden, N. McDiarmid, R. Harvey, G. English, Shulton.
Row 3: J. Mooney, F. Robb, R. Hattrill, S. Evans, A. Stewart, R. Mee, B. Bevin, K. Cormack, J. Matheson
Row 2: R. Ogilvie, J. Grant, E. Greenfield, B. Riddler, T. McLeod, D. Smith, R. Stewart, A. Grant, G. Stratton
I. Hamilton, D. Green.
Front row: W. Shanks, J. Van Laar, G. Evans, J. Oliver, J. Roosing, I. Dalrymple, M. Stewart, A. Dodd
T. McCord.

B. from D.C.W. Muir, *Mataura: City of Falls*, Gore, 1991, p. 84.

This photograph depicts the Paper Mill's Employees' Social Club in the 1950s. The club was still flourishing during the centennial celebrations in 1976.



Paper Mill Employees Social Committee of the '50s
Back row: A. Smith, J. Murray, R. Scott, G. Richmond, J. Maley, M. Barclay, B. Hanton, E. Smith, I. Wards.
Front row: J. MacFarlane, K. Christensen, I. Adamson, R. Greer, J. Walsh, H. McFarlane, G. Nelson.

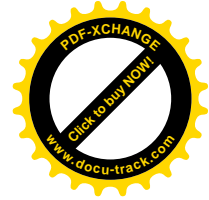


C. from D.C.W. Muir, *Mataura: City of Falls*, Gore, 1991, p. 198.

This photo shows a typical work scene at the mill.



Steam turbine. Wilfred McCurdy hard at work.



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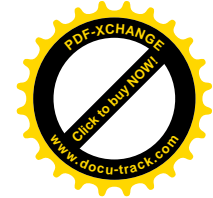
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ENDNOTES

- ¹ See APPENDIX A for photo of Paper Mill Maintenance Staff in 1976.
- ² D. C. Muir, *Mataura: City of Falls*, Gore, 1991, p. 199.
- ³ Ibid., p. 83.
- ⁴ Ibid., p. 84. See APPENDIX B
- ⁵ _____, 'Others benefit as Mill celebrates', *The Ensign*, 25 June 1976.
- ⁶ Muir, p. 201.
- ⁷ Ibid.
- ⁸ _____, 'Paper' from *The Just Shoppers Guide*, No. 11, February 1997, available from <http://shell.ihug.co.nz/~stu/shopper71.htm>, accessed 2 December 2005.
- ⁹ _____, 'Putting history on paper – PDL Electronics make history at the CHH Mataura Paper Mill', *PDL Electronics* website, July 1997, available from <http://pdlelectronics.com/articles/AB01797.htm>., accessed 2 December, 2005.
- ¹⁰ _____, 'Commerce Commission Decision No. 415', *Commerce Commission* website, December 2000, available from <http://www.comcom.govt.nz/PublicRegisters/ConsentFiles/Documents/415.pdf>, accessed 2 December 2005.
- ¹¹ Kevin Lawrence, 'Making Paper Work', *New Zealand Marketing Magazine*, vol. 18, iss. 1, February 1999, p. 31.
- ¹² Ibid. p. 32.
- ¹³ Kirsten Lovelock, *Reddish Eddying Waters: A study of work, gender and class consciousness in a working class town*, Thesis, Otago University, Dunedin, 1994, p. 276.
- ¹⁴ Ibid., p. 325.
- ¹⁵ See APPENDIX C for a photo of a worker.
- ¹⁶ Ibid., p. 153.
- ¹⁷ Neill Birss, 'Paper War Mothballs Mataura Mill', *Press*, 13 July 2000, p. 10.
- ¹⁸ Ibid.
- ¹⁹ Ibid.
- ²⁰ Ibid.
- ²¹ _____, 'Southland Paper Mill workers fear factory about to close down', *The Dominion*, 12 July 2000, p. 7.
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- ²⁵ _____, 'Firm's Cash Helps Out', *Press*, 28 September 2000, p. 1.
- ²⁶ _____, 'Mataura Paper Mill to Close, Costing 155 Jobs'.
- ²⁷ Ibid.