

Fire protection efficiency

Sir,

In the May issue of NZ Forestry, an economist, Peter E. Robertson, presented evidence using Forest Service figures which implied a need to reduce expenditure on fire protection. In my view, the evidence is questionable and the author demonstrates a lack of practical understanding of fire problems.

For instance, in Wellington Conservancy, average annual figures of \$1.16 per hectare damage in exotic forest and \$5.13 per hectare for fire suppression expenditure were shown. The author used these figures to state that Wellington was less cost effective than several other conservancies and referred to this as "poor performance".

Exotic forest stations had wide fire responsibilities and fought fires in areas other than exotic trees. An example is Catchpool Station near Wellington where the Forest Service had less than 300 hectares of exotic trees but probably the highest incidence of fires in the country to deal with. I question then whether the author's expenditure figures included the cost of non-exotic fires incurred to exotic forest stations?

Quite apart from this, the economic view of the author that "expenditure on fire prevention could be allocated in proportion to the size of expected losses caused by fires . . ." ignores some practical aspects. My view as someone with reasonable fire experience (NZFS, DOC) is that fire control involves an emergency organisation which requires minimum standards to operate within minimum limits of safety and effectiveness. Even if a fire occurs only once every five years the result may be tragedy or disaster if fire-fighting resources are insufficient and personnel are poorly trained. Thus, if it is decided to have a fire-control capability, expenditures must to some extent be dictated by the need for minimum standards, rather than just by simple economic theory.

At a time when fire control throughout the country has been considerably disrupted by Government change, superficial one-sided research can only be more destructive.

Bob Boardman

Forest sales

Sir,

As an ex NZ Forest Service employee I find it absolutely scandalous to learn (Eye Witness News, July 7) that the Government is contemplating selling the

cutting rights of our State Forests to the highest bidder without the provision that the purchasers leave a sustainable managed forest crop when their cutting rights expire.

Under the Forestry Corporation the State forests have the potential to generate annual revenues rising from the present \$100–200 million to \$400–500 million early in the next century even allowing for replanting. Based on a realistic sale price of \$3–4 billion for the forest crop this would mean that purchasers would recoup their initial outlay over a ten-year period and double to triple their money if they were to liquidate the asset over 20–30 years. It is suggested that the cutting rights are to be issued for 70 years; so if purchasers were to replant and manage the forest crop they would multiply their investment many times over.

For goodness sake don't let the country fall into the trap of exploiting the forests for a quick return or short-term considerations and repeat the mistakes made in our own indigenous forests and duplicate the errors still being perpetrated in the natural forests of Europe, North and South America, Africa, South East Asia and Australia. Similarly to the world resources of: petroleum, minerals, fossil fuels, wildlife, fisheries and agriculture.

The taxpayer, through activities of the Forest Service, and grants to the private sector have created a second chance for New Zealand in forestry terms. In my opinion the paramount consideration of any forest cutting programme should be that the resource is in better shape after you have finished.

For my vote the New Zealand owners of the forest have the right to expect to be left with a viable, sustainable forest crop (both age class and quality) at the expiry of cutting rights and anything short of this is a betrayal of the Government's mandate of office.

C.J. Mountfort, Rotorua

Valuation prices for wood

Sir,

Study of the BERL Valuation of New Zealand's state forests would make comment on the methodology and the mathematics of such a valuation possible. It would appear that BERL have taken an optimistic view of both the total clear felling yields and the unit stumpages yielded by the assortment of products, following a relatively short rotation of about 25 years. A value of \$7 billion has been quoted for just over

500,000 hectares of established State forest. This equates to a value of about \$150,000 per hectare for forest in the age range of 10 to 15 years. Has enough cognisance been given for edge effects and crop variability?

It is known that much of the planting since 1975 was on steep land that would demand high lead extraction, that was often remotely situated. Such factors must reduce the royalty per hectare, over that currently being attained by sales from, say, Kaingaroa Forest. It is known that most of the 'old crop' has already been harvested.

Assuming that future rotations would be of the order of 30 years and that 'normality' can be achieved by the year 2000, the weighted mean age of State-owned crops would then be 15 years.

Questions that must be addressed include:

- Can potential purchasers of forest resources afford to pay the Government's 'asking price' should they have to borrow the purchase money at today's high interest rates?
- At prevailing rates for internal sales of sawn timber plus conversion costs can sawmills afford to pay increased rates for delivered sawlogs?
- Will the current high prices for pruned butt logs, attained during a time of relative shortage, still be maintained, in real terms, when there is a glut of pruned logs on domestic markets. This is particularly pertinent as an inspection of SILMOD's Logmix shows that a wider defect core can be anticipated from large pruned logs.

**K.D. Marten
Taupo**

Ordinary General Meeting

An Ordinary General Meeting of the NZ Institute of Forestry will be held at the Hyatt Kingsgate Hotel, Rotorua, on Wednesday, September 27, commencing at 7.00pm.

The meeting will consider statements of income and expenditure, and of assets and liabilities of the Institute and the budget for 1989-90.

The General Meeting is scheduled to coincide with the Commonwealth Forestry Conference to be held in Rotorua from September 17 to 30, 1989.