

forests already in the ground. This should be in relation to beneficiaries not yet identified and although assisted by the major corporates which dominate the present scene, it should allow for a process of research and technology transfer which enhances small players' capability to be inventive, innovative and aggressive in seeking out and satisfying market niches at present not yet perceived.

- d) The new planting wave, which is perceived now to be under way as investors realise that new taxation rules and requirements for superannuation quality investment cannot be ignored, has meant that there are many new players such as middle to late age salary earners entering the forest owning scene via partnerships and small investment vehicles.

Public confidence in such investment requires individual foresters who have a responsibility for providing data which is the basis for choice of species, site location and regime of new establishment, to have up-to-date skills and credibility to ensure that the 'rip-off risk' is restricted to those people who will proceed in any case without regard for technical advice of good quality.

As a profession we need to have independent capability, seen by the public as credible, to advise and 'blow the whistle' on projects where the bases portrayed are known to be invalid.

- e) In all of this increasing our planting rate activity the fashion for concern as to the rate of sequestration of CO² and greenhouse gases has been given some prominence during the global warming debate. We want to take on board the thought that NZ has an unusually advantageous position in this regard without presuming licence in our need, as part of the global community, to be sparing in our demands, particularly on fossil fuels.

The recent UNCED conference in Rio de Janeiro has created an expectation that the world can retain forests' bio diversity while still providing the world with its most essential commodity – wood. NZ's role in technology transfer and management techniques of plantation forests is perceived by many to be an export commodity to which we at present are not giving adequate prominence.

As foresters are we competent to advise, direct and shape opinion on the wide range of topics discussed as examples above?

In the future foresters will need to

have command of an increasingly complex range of skills. The demand of our industry for literate, technically competent, enquiring intellects will be driven by recognition of this aspect of the future. Already the major corporate forest companies have recognised that their recruitment policies must be biased by a demand for this quality of personnel if the needs to cope with the demands of the future are to be transmitted into effective management with a minimum of centralised prescriptive and restrictive supervision.

There will be more responsibility on individuals to exercise initiative within the confines of broad Codes of Practice such as developed by LIRO and the NZ Forest Owners Association for logging, establishment and pesticide application procedures.

Training and the activities of FITEC will have a considerable bearing on the ability of the present work force to

become more effective in application of new practice. The lack of institutional capacity for sub tertiary training is being addressed by FITEC through their regional boards. This is an area where our present tertiary capacity needs to link with the technical institutes, L&FITB and the various trade training centres so that some holistic quality can be given to the present rather inchoate process.

'Position Statements'

The NZIF through its Council is developing 'position statements' which are informed and reflect the views of the membership to the individual topics, some of which I have identified above. This process will be a growing and developing one which the whole profession is required to participate in if it is to be accepted as having credible quality by politicians at both central and regional government level.

Is the exotic forest estate of New Zealand being overcut?

Introduction

Mr A.P. Thomson raised this issue at both the 1991 and 1992 Annual General Meetings of the New Zealand Institute of Forestry. He observed that export log volumes had increased five to seven fold since 1987. Was this regarded as overcutting the exotic forest estate and if so what effect would that have on the forestry sector and any future opportunities for the New Zealand forest industry? Others have raised similar questions. The Institute should investigate and advise the public and politicians of the results and raise any alarms considered necessary.

A report to Council by Tony Grayburn with the help of Mick O'Neill and Bruce Childs

The Institute's new Council decided to address the question immediately by setting up a small sub-committee to investigate and report after all fellows and some senior members of the Institute were asked for their views. The response from circular letters to those people (42) has been very good. Council wanted early action but if more in-depth work was considered necessary, other people would be asked to do that later. This report has been prepared by A.W. Grayburn with the help of Mick O'Neill and

Bruce Childs. Detailed responses from 21 fellows and senior members have been received and used for this consensus report.

Definitions

Most respondents agreed that "overcutting" meant little and should not be the focus. Overcutting assumes a national exotic forest policy, an accepted set of optimum rotation ages and to be meaningful would be better done on a regional basis or by a large grouping of forests, but certainly not nationally. In certain circumstances, increased approved periodic cuts are acceptable either annually or over a few years. Much will depend on the robustness of the forest mass and the maturity of the forest resource. All of these things are related to the age class distribution and the rotation age adopted by forest managers. There is an increasing tendency for rotation ages to be reduced, and for the average age of clearfell to come down below 30 years for radiata pine in many forests over the next five years. This removes many harvesting options and lowers the yield, quality and size of logs.

Therefore the real concern is to be able to sustain the periodic cut in the market place and meet the quality demands of the customers. Will the present level of cutting in many areas allow that to happen? While exotic forest

yields are not specifically mentioned in the Resource Management Act, the philosophy of sustained yield to the community is implied. However, well managed forests with some flexibility in age class groupings have a great resilience to periodic high cuts, some of which may result from natural disaster damage salvage.

Responsibility and Objectives

How the forest is managed and harvested is the responsibility of the forest owner and his managers. In recent years this has increasingly been transferred from the State to State Owned Enterprises (SOEs) and private owners by the corporatisation and privatisation process. The State can now be concerned about what happens but in the absence of a national forest policy can do little about it. Forest owners will adopt a variety of harvesting and marketing strategies to meet a whole host of their perceived needs and objectives.

Many recent forest valuations and sales were based on maximum log export prices and not on a non-declining yield basis. Having paid in cash, the new forest owners have no alternative but to maximise cash flow immediately to service debt, hence operating on a short rotation (25-27 years) rather than delaying harvesting until a quality solid wood rotation (30 + years) could be adopted. Cash has all gone into forests rather than have some left for new hoped for processing plants.

Company law is being strengthened to place much greater accountability on company directors. Directors of forest companies will need to understand the state of their forest resource through accurate reporting and the extent to which their company's policies and strategies are threatened by their harvesting plan. Detailed reporting will be essential. With forests managed over relatively long rotations (25-35 years) by normal business standards, market forces alone are not enough, so other indicators must be used in their strategies.

While the exotic forests of New Zealand can produce more wood than is needed for domestic consumption, export industries have been established and there is, or was, potential for new or expanded ones. That is well recognised but no national targets have been adopted and they will change with such things as decreased new planting rates, increased periodic harvests, gale damage, shortened rotations and so on. The Ministry of Forestry (MOF) must monitor these things on a regional and national basis and alert both the public and the Government to their possible

consequences. They may also have a special role where the forests are on leased State land. The Institute should help in this respect by having a policy and acting as another adviser or watchdog.

Data Collection and Reporting

No one believes that the Institute should embark on an examination of the available national figures at the present time to determine the significance of the present exotic forest harvest level. This could only detract from a statement of philosophy and policy. How good are the present volume production figures? Must forest owners provide them and on what basis? Log volumes from sawmill figures depend on conversion factors and export log volumes give no indication of logging realisation percentages. Published production figures are not shown by regions; so it is not possible to determine the impact of harvesting levels on regional forests and hence the effects on regional economies and industry strategies there.

Planting returns and age class area figures are collected by regions and made available. It is felt that areas cleared by age classes should be added to these figures and that would give a better indication of harvesting levels against the state of the forests in the various regions. Through the National Exotic Forest Description (NEFD), reasonable yield tables are available to indicate what the harvest volumes and realisations should be for MOF or anyone else to carry out a monitoring. It is more likely that forest owners would continue to give these types of figures rather than increase the level of accuracy and detail of harvesting returns and realisations. These figures are better forest based than utilisation plant based. Replanting area figures should be asked for in the returns too, separate from new planting.

Too much logging waste and a noticeable lowering of age of clearfell below an optimum rotation age should raise the alarm bells to warn of the consequences. These could be worked out from area figures and appropriate yield tables already available.

Restrictions or Incentives

No one believes that this was a realistic approach in today's political and economic climate. Restrictions on log exports have been talked about in the past on many occasions but have never really worked. The difference between export and domestic sawlog prices has been debated many times too but no solution has been arrived at to see a larger volume go into New Zealand sawmills to increase export sawn timber for

traditional or new export markets. Improved efficiency and cost competitiveness here plus better marketing strategies will be the only way to solve that problem. An assured continuing supply of quality saw and ply logs will help negotiations in medium to long-term business agreements.

General Comments

The Institute must not act as a judge in what is happening nor must it criticise how various forest owners manage their forests. It can debate these issues, point out some consequences and develop some policies on which advice can be given to the public and Government from a national and regional interest point of view. A sustained timber yield and management of the natural resources should be the basis of any policy adopted. In the absence of any State Forest Policy, whose responsibility are these issues? This could be a useful debate. A number of subjects were raised in replies, such as species spread, ideal rotation ages, land use, new planting, replanting, relying on market forces in forestry and whether only the domestic wood demand should be assured, regional employment opportunities, regional development, etc.

Comments already received suggest that due to the current levels of log and chip exports, some local processing opportunities to add value for export products in future may be lost, e.g.:

- (a) Local sawmillers are finding it difficult to buy Douglas fir logs while large volumes are being exported.
- (b) Pruned radiata pine logs are being exported but clearwood for local sawmilling and remanufacturing is in short supply.
- (c) The level of chip exports in some regions may eliminate or seriously delay establishment of new chip processing plants.
- (d) The Central North Island may experience a severe wood shortage during the next five to six years if first yield predictions are anything to go by.
- (e) Some existing minor species are being liquidated, thus removing the opportunity to encourage some forest species diversity with the best proven examples.
- (f) Current levels of log exports from Coastal Otago forests could delay industrial development and its employment opportunities for a long time.

Conclusions

The Institute should not make a stand on whether or not New Zealand's exotic forests are being "overcut" in total.

It should consider:

- (a) Developing and advising on an exotic forest policy.
- (b) Encouraging the NEFD and MOF to collect annual figures by regions, showing areas and age classes of clearfelling and areas of replanting separate from new planting.
- (c) Pointing out the consequences of forest owners not maintaining sustained yields by regions and prepare two or three examples based on current very high levels of log exports.

- (d) Prepare a brief statement on what it sees as the current position from this review for the Minister's benefit. Many believe that the Institute must raise the alarm publicly.

Any comment should not advocate controls on export logs nor the introduction of tax incentives or disincentives. Development results from good business decisions in a favourable economic climate. But it may be necessary to refute some statements often made by politicians that there are great opportunities

in the next five to 10 years for development and employment in the forest industry.

The New Zealand Institute of Forestry Council has accepted this report and is considering further action. If members wish to comment they can send their submission C/- The Secretary, Institute of Forestry, P.O. Box 19840, Christchurch.

The professionals in rural business

Jenni Bennett*

Ms Bennett presented this information at the New Zealand Institute of Forestry's (NZIF) July 1992 Council meeting. Council agreed to provide the New Zealand Society of Farm Management (NZSFM) with tacit support and investigated the development of closer relationships between NZIF and NZSFM.

INTRODUCTION

The New Zealand Society of Farm Management Inc. is the national body of accredited professionals in rural business. Established in 1969, the Society has about 800 members who are predominantly involved in farm and primary industry management. The Society has an Executive Officer, based at the National Office in Wellington, and ten Branches throughout the country.

The Society, through its active and growing membership, has a strong involvement in a diversity of rural-based industries, and identifies closely with the future for New Zealand's primary sector.

Members of the NZSFM Inc. include farm management consultants and personnel in closely related fields such as rural valuation, finance, accounting, agribusiness, agricultural policy, economics, research and education as well as farming. Disciplines such as soils, animals, plants, horticulture, forestry, aquaculture, engineering and marketing are part of our Society.

MISSION AND OBJECTIVES

The Society aims to promote excellence in all aspects of rural business management, and encourages closer liaison within and between all sectors of New Zealand agriculture.

Its objectives are focused on the encouragement and development of new technologies and managerial systems

* Executive Officer, NZ Society of Farm Management (Inc.).

within the primary industries, promotion at all times of ethical conduct and a high standard of service to the public through a recognised registration scheme and prevention of illegal or unprofessional practices by its members.

REGISTRATION

All Society members who offer consultancy services are required to become Registered Farm Management Consultants. Applicants must satisfy rigorous academic qualification and experience criteria laid down by the Farm Management Consultants Registration Board, and undergo periodic registration reviews.

The Registration Board is an independent body, comprising four leading persons from the primary sector, which ensures the highest professional standards and conduct by consultant members of the Society, whether they practise in public, private or commercial fields.

MEMBERSHIP

Over recent years, membership of the Society has continued to increase. This is no doubt due to the recognition by many of the importance and benefits of belonging to a professional society representing the interests of those in rural business management. There are two broad categories of membership, Full and Affiliate.

Full members are either Intermediate or Senior, depending on their experience in their profession. They must have a minimum academic qualification of the Diploma of Valuation and Farm Management or a Bachelor degree in agriculture, horticulture or another rural-based discipline (or an equivalent qualification obtained at a New Zealand University or similar overseas institution).

Affiliate categories include Branch Associate, Student, Overseas and Retired. Local Branches of the Society may invite people to become Branch

Associate members who are not directly involved in management consultancy, or do not have the minimum academic qualifications of Full membership, but may be in another related organisation or profession, or farming.

Student members must be enrolled in an approved course of study at a New Zealand university. Overseas membership caters for any member not resident in New Zealand and Retired status is for any Full member now retired from professional work.

BENEFITS OF MEMBERSHIP

Members of the Society benefit from being part of an extensive professional network in a diversity of agricultural disciplines. This enables contact and communication with others in the wide field of primary industry management.

Belonging to the Society enables members to keep up-to-date on rural-based research, technologies, management systems, education, policy and economics.

Members receive the Society's quarterly magazine, "Farm Management News", and are able to participate in both local branch field days and workshops, as well as the annual National Seminar of the Society.

MEMBERSHIP DETAILS

Membership categories, requirements and current annual fees are:

FULL:	Including GST	\$
Intermediate	Principally employed in a rural management or consultancy profession.	150
Senior	Continuously employed in the profession for three years or more.	200
AFFILIATE:		
Branch Associate	Not involved in professional management or having the required qualifications, but in a related organisation or profession, or farming.	75