

# Science Working Group report

*The following is a summary of the Science Working Group report to the NZIF Council meeting on September 1, 1993, at Rotorua.*

## Legislation

**The Forest Amendment Act** 1993 became law on July 1, 1993. Its purpose is to promote the sustainable forest management of indigenous forest land. The Act covers export controls, sawmill controls, sustainable forest management plans (the major part of the Act) and a number of miscellaneous provisions. The legislation appears to correct some of the anomalies that existed previously in regard to the felling and utilisation of indigenous forests and particularly in regard to compensation payments to private indigenous forest owners. The Act also appears to be consistent with and avoids unnecessary overlap with the Resource Management Act 1991. The major problem with the Act will be in its implementation, especially with regard to the development of sensible forest management prescriptions which meet all the sustainability criteria. This may not be too much of a problem for some types of beech forest but our level of understanding about mixed podocarp-hardwood forest will make prescription development very difficult for these forest types.

**The Biosecurity Bill** became law on October 1, 1993. This legislation will enable a vastly improved performance in the way pests are managed and controlled (see comment in August NZ Forestry).

## East Coast Forestry Scheme

The concern about the lack of published material on the soil protective capability of various types of vegetation cover on East Coast hill country has been allayed with the publication of an article on this subject in the August issue of NZ Forestry, and the preparation of a more detailed article on the same subject for the NZ J.For.Sci.

MOF has produced a brochure covering the new modified 1993 East Coast Forestry Scheme. The new scheme pays more attention to the protection of kanuka and other regenerating indigenous scrub and forest species and incorporates a weighting system that will promote the "non clearing" of indigenous vegetation. The scheme will also include a weighting system which aims to promote the planting of category 3 and severely eroding category 2 land. The details of the weighting systems are currently being designed and

will be completed by the end of October 1993 (see item in Recent Events).

## South Island High Country Afforestation

Attempts to "liberalise" the MacKenzie District Scheme for forestry development have evidently run into opposition from ECNZ and DOC. A joint FRI/Landcare report on the hydrological implications of converting tussock grasslands to pine forests has been seized upon by ECNZ and used to support an argument that afforestation of parts of the MacKenzie will have undesirable effects on stream and river flows. It seems that the ECNZ may have misinterpreted the information in the report. In any event John Novis has promised to keep the Science Committee of NZIF informed and the Committee may be asked to prepare an independent report.

## Royal Society

Colin O'Loughlin attended the NZRS meeting in Wellington on September 1, 1993. The meeting covered RS budget, new proposed structure, new RS Act and benefits to member bodies. A report for the NZIF Council will be prepared on the results of the meeting.

## Overseas Forestry Matters

Sustainable management of forests has become a major focus of overseas Government forestry organisations and research institutions. Great volumes of literature are appearing on the topic, much of it of limited interest or use to New Zealand forest managers. Two notable achievements concerned with sustainable management are the completion of a Society of American Foresters Task Force Report on "Sustaining long-term forest health and productivity" and the organisation of a Ministerial Conference on the "Protection of the forests in Europe" in Finland in June 1993. The outcomes from this conference include general guidelines for sustainable management of forests in Europe, guidelines for conservation of biodiversity, and strategies for long-term adaptation of forests to climate change.

An increasing concern in USA and in some European countries is the effect of rapidly increasing environmental ordinances and regulations on the activities and economies of the forest sectors. In a recent editorial in Science, "Pathological growth of regulations", it pointed out that the US Congress has created a huge multistatutory regulatory machinery (EPA

administers 11 major statutes, over 9000 regulations, employs 125,000 bureaucrats to design more regulations and spends \$500 billion). To meet the requirements of the regulations companies and public works facilities and other organisations are spending \$150 billion annually. The impact is especially tough on small companies, including forestry companies, because they cannot afford to develop environmental expertise. The regulatory pathology impairs their health. The article also suggests that the EPA does not administer its statutes well and exaggerates the hazards involved in such areas as the use of chemicals and pesticides. Maybe there are lessons for New Zealand here.

**Colin O'Loughlin**  
Convener, NZIF Science Group

## NZIF Conference 27-29 April 1994

### INTRODUCTION

The 1994 NZIF Conference and Annual Meeting will be held in Nelson. The Nelson/Marlborough region has a diversity of land uses, from horticulture and aquaculture to farming, forestry and tourism.

### CONFERENCE 1994

The conference theme is "Plantation forestry – a Sustainable Resource", and it addresses three issues of sustainability.

### Economic Sustainability

The past year has seen swings in the marketplace attracting a lot of interest in forestry and its financial returns. The unprecedented interest in the commercial forestry sector has resulted in many nurseries being unable to meet the demand for seedlings.

The 1994 NZIF Conference will address the economics of forestry from the global and local perspectives. Comparisons will be made with other major land and resource users to assess how forestry stacks up economically, now and in the future. We will also discuss how processing fits within the economics of the forestry industry.

### Biological Sustainability

The conference's second session studies the issue of sustainability with regard to

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## **PLANTATION FORESTRY - A SUSTAINABLE RESOURCE**

**NEW ZEALAND INSTITUTE OF FORESTRY  
CONFERENCE AND ANNUAL GENERAL MEETING  
NELSON, 27-29 APRIL 1994**

"Relevant issues in interesting surroundings at a reasonable cost"

### **THE ISSUES:**

- **Economic Sustainability**
  - The International and New Zealand Perspective
  - Present and Future Options in Processing
- **Biological Sustainability**
  - The availability of water, quality/quantity
  - New Zealand's soil sustainability
  - Current Management Practices
  - The biological risk - how big is it?
- **Environmental Sustainability and the Social Implications**
  - International and Local Perceptions of Forestry
  - Industry Awareness and Action
  - The Resource Management Act two years on - what has it achieved?

### **THE VENUE:**

Nelson's Tahunanui Conference Centre, a brand new complex only five minutes drive from Nelson Airport and within walking distance of accommodation, restaurants and recreation facilities. And if you wish to stay a little longer, Nelson's attractions include golf, boating, fishing, white water rafting, tramping, beautiful beaches and the wine trail.

### **THE PROGRAMME:**

- **Wednesday 27 April**      You will be able to register at any time during the morning. The AGM is in the afternoon followed by socialising in the evening.
- **Thursday 28 April**      Presentation of papers followed in the evening with the Conference Dinner.
- **Friday 29 April**        Field Trips which will relate to the conference theme.

### **PAPERS:**

Those interested in submitting papers should contact the Conference Secretary Kevan Buck at:  
New Zealand Institute of Forestry, c/- PO Box 7, Wakefield, Nelson, Telephone 03-541 8711,  
Facsimile 03-541 8844.

water and soil values and the likely impacts of afforestation. The Nelson/Marlborough Region has a diverse range of soil and water issues, making this region an excellent location to host a conference on this theme.

The session will also address how land management practices have changed with time and some of the biological risks associated with plantation forestry.

### **Environmental Sustainability and Social Implications**

Plantations forestry affects the community through its intensive use of resources. The conference will assess how forestry is perceived from within and outside the industry, how much influence this may have on future developments in the sector and how the forestry industry is to address these issues.

The Nelson/Marlborough Region will be used as the basis for study. However, the issues raised will apply to all regions with projected woodflow increases and as local authority plan requirements (as they relate to the Resource Management Act) are implemented.

Finally, the conference will review the achievements of the two years since the introduction of the Resource Management Act.

Registration forms and details of costs will be available in the next issue of NZ Forestry. Accommodation will be your own responsibility. Tahuna Beach Park office can offer assistance-Freephone 0800 500 501, Fax 03-548 5294. If you require information contact the Conference Secretary, Kevin Buck, C/- PO Box 7, Wakefield, Nelson, Telephone 03-541 8711, Facsimile 03-541 8844.

**Chas Perry**

# **NZIF Forest Valuation Working Party**

The NZIF Council is concerned at the lack of consistency in forest valuation practice in New Zealand. While appreciating that forest valuations are carried out for a range of purposes, Council considers that the variability in current approach has the potential to undermine the credibility of both the forestry sector and NZIF members working within it. Consequently, Council has set up a Forest Valuation Working Party to provide a leadership role in developing guidelines for forest valuation.

### **The Terms of Reference of the Working Party are:**

1. To develop guidelines for forest valuations which include:
  - a the purposes for forest valuation;
  - b alternative approaches to forest valuation for each purpose;
  - c standards of forest description;
  - e a checklist of valuation inputs;
  - f guidelines on reporting format including:
    - disclosure of valuation inputs
    - the methodology employed
    - disclaimers
    - reconciliation of change in value over time.

Forest valuation guidelines will, at least in the first instance, be restricted to the valuation of plantations in terms of monetary values.

- 2 To liaise, as appropriate, with other interested parties, both in New Zealand

and overseas, and if necessary, coopt other persons with specialist knowledge to assist in deliberations.

- 3 To recommend to Council means of implementing the guidelines including mechanisms for professional education.
- 4 To recommend to Council the desirability of, frequency, and format for collection and publication of commonly applied valuation inputs including log price information, discount rates and costs.
- 5 To recommend to Council the desirability of, and mechanics for the collection, analysis and publication of market values for forest sale transactions.

### **Members of the Working Party are:**

- Dr Bruce Manley, NZFRI (convenor)
- Alan Barnes, Tasman Forestry Ltd
- Peter Berg, ITT Rayonier NZ Ltd
- Peter Clark, P.F. Olsen & Co Ltd
- Steve Croskery, Forestry Corporation of NZ
- Jeremy Fleming, Cater Holt Harvey Forests Ltd
- Peter Gorman, Ministry of Forestry
- Bill Liley, Groome Pöyry.

The Working Party has met three times (to the end of September), and has commenced drafting forest valuation guidelines. When these guidelines have reached the 'exposure draft' stage, they will be widely circulated for review and feedback.

**Bruce Manley**

## **Forest Industries Exhibition**

The New Zealand Institute of Forestry has accepted an invitation by the organisers of the Forest Industries 1994 Exhibition to organise and run a central stand focusing on Forestry Investment. This exhibition is to be held in Rotorua next February. NZIF has been identified as an independent body of professionals who are in a position to present factual information to a public keen to learn more about forestry and the investment opportunities it may provide. The Institute jointly organised a successful 'Investing in Forestry' conference in Auckland last year and produced a set of Forestry Investment Guidelines earlier this year.

NZIF will run a series of seminars throughout the three days of the exhibition in February next year. The seminars will

be presented in a professionally packaged slide show format. In conjunction with the seminars a static display will run on forestry investment for individuals. The stand will be manned by Institute members.

All material will be prepared by NZIF members and seminars will cover:

Forestry Investment (Core Seminar): Bill Liley and Rob van Rossen.  
Forestry Taxation: Mark Blackburne.  
Forestry Investment Structures: Peter Clark.  
Future Markets: Denis Nielson.  
Current Markets: Murray McAlonan.  
Some Management Aspects: Peter Carter.  
Current NZ Forestry Ownership: Chris Perley.

The Institute's objectives in organising the FI 1994 stand and associated seminars are:

- (i) To provide an interested public with factual and independent information on private forestry investment.
- (ii) To raise the profile of the Institute with the public.
- (iii) To raise the profile of the NZIF Recognised Consultant.

The stand will not provide an opportunity for any individuals or organisations to promote themselves commercially.

Publicity is underway for this exercise through Profile Publishing's FI 1994 direct mailing, their Forest Industries and NZ Management magazines, and the Accounting Society and Law Society Journals.

**Rob van Rossen**