



New Zealand Institute of Forestry (NZIF)
Te Pūtahi Ngāherehere o Aotearoa Inc.

ANNUAL REPORT

Year Ended 31 March 2010

CONTENTS

OBJECTS.....	2
VISION.....	2
DIRECTORY.....	3
PRESIDENT'S REPORT.....	4
HONOURING OUR MEMBERS.....	8
GOVERNANCE AND ADMINISTRATION.....	12
CONSTITUTION.....	12
NZIF COUNCIL.....	12
CHARITABLE TRUST.....	13
MEMBERSHIP.....	14
NZIF ADMINISTRATION.....	15
PROFESSIONAL DEVELOPMENT.....	17
REGISTRATION BOARD.....	17
NZIF FOREST VALUATION WORKING PARTY.....	17
EDUCATION & TRAINING.....	18
CONTRACT WITH MAF.....	19
GENERAL SERVICES TO MEMBERS.....	20
PUBLICATIONS.....	20
LOCAL SECTIONS.....	22
SPECIAL INTEREST GROUPS.....	25
NZIF CONFERENCES.....	26
ADVOCATE FOR FORESTRY.....	27
NZIF POLICY AND POSITION PAPERS.....	27
DISPUTE RESOLUTION SERVICE.....	27
SUBMISSIONS AND REPRESENTATION.....	27
PUBLICITY.....	30
LINKS WITH OTHER ORGANISATIONS.....	30
FINANCIAL STATEMENTS.....	32
EXPLANATORY COMMENTS.....	32
DRAFT FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2009.....	35
DRAFT FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2010.....	54

OBJECTS

The objects of the Institute shall be:

- to be an independent advocate for forestry;
- to serve its members by:
 - affording them opportunities to express and exchange views;
 - overseeing members' ethics;
 - encouraging fraternity and “esprit de corps”;
 - providing for the recognition of professional standards.

(NZIF Articles of Association)

VISION

The NZIF vision is to be a vibrant professional organisation:

- Demonstrating leadership;
- Well respected for its independent and considered views;
- Advocating forestry in its widest sense; and
- Relevant to current and new members.

In determining this vision, NZIF distinguishes itself from other forestry sector organisations by:

- Having a membership comprised solely of individuals, who are forestry professionals or are otherwise interested in the profession of forestry;
- Focussing primarily on forests and on those activities that affect them; and
- Defining forestry in the broadest sense set to encompass all forests in New Zealand, not just some particular types of forest.

The vision will be achieved when:

- NZIF attracts most forestry professionals to be members; and
- Government (national and local), forestry groups, the media and the public generally seek the views of NZIF as a matter of course on New Zealand forestry issues and those views are listened to and taken into account in decision making.

In order to achieve this vision, NZIF will need to:

- Develop the ability to and react promptly and effectively to issues as they arise;
- Deliver services of value to members;
- Attract and retain a broad membership that reflects the NZIF vision;
- Develop relationships with other organisations that can help NZIF; and
- Obtain additional funding, particularly from sources other than members.

DIRECTORY

(At 31 March 2010)

NZIF Council

Andrew McEwen	President
Hugh Bigsby	Vice President
James Barton	Secretary
Howard Moore	Treasurer
Piers Maclaren	Editor
Chris Goulding	Councillor
Bert Hughes	Councillor
Euan Mason	Councillor
Murray Parrish	Councillor
Geoff Thorp	Councillor
John Schrider	Councillor

Administration

New Zealand Institute of Forestry

PO Box 10-513
Level 4
85 The Terrace
WELLINGTON 6143
NEW ZEALAND

Phone: +64 4 974 8421
Fax: +64 4 473 9330

Email: admin@nzif.org.nz
Website: www.nzif.org.nz

Registration Board

John Schrider	Chair
Peter Berg	
Ian Page	
Peter Gorman	
Don Hammond	
Alex Sutherland	
Mike Marren	Registrar

Fellows' Committee

John Galbraith	Chair
Tony Grayburn	
Colin O'Loughlin	

Banker

Bank of New Zealand
North End
Wellington

Accounting Advisor

Grant Thornton
Wellington

Solicitor

Simpson Grierson
Auckland

PRESIDENT'S REPORT

The written annual report has more information about the Institute's affairs than has sometimes been the case. This is part of a deliberate attempt to inform members about the Institute's affairs. Rather than canvass all activities, in these my comments I want to highlight some significant aspects.

Administration Changes

The 2009/10 year has been a very busy one for the Council. It has seen a continuation of a progressive overhaul of the Institute's administration. The need for this was identified in the review of NZIF undertaken in 2007 in which members indicated that they would like the Institute to aspire to be a more organised and active professional body.

The Council has progressed this on a number of different fronts.

In 2008, an arrangement was negotiated with the Forest Owners Association whereby the Institute had space and use of facilities in the Wellington office premises occupied by Forest Owners, the Wood Processing Association, the Farm Forestry Association and Woodco. This arrangement raised the profile of NZIF amongst other forestry groups and it has increased interaction between NZIF and others.

In 2009, Council decided to move the administration arrangements to Wellington. It entered into an arrangement with the Wood Processors Association for the provision of administrative services, which would be based in the Wellington forestry offices. The transition from the Christchurch secretariat to the Wellington office has been proceeding over the last few months.

The changes showed that the computer software being used to service the Institute's administration was in need of upgrading. The first step was to replace the membership database which was using obsolete and unsupported software. After some investigation Council elected to use the Memberconnex system provided by Auckland company Cyberglue Software and used by a number of other professional bodies in New Zealand. Implementation took place in late 2009 and is already proving its worth. As described in the annual report, the system provides for recording membership details, renewal of subscriptions and communication with members (for example the weekly email newsletter is now being transmitted from the system). One significant advantage of the data base is that it allows members to update their own contact details on-line, thereby reducing the work load of the administration staff.

Council elected to utilise the facility to integrate a web site with the membership data base. This entailed a redesign of the web site, which has also seen the addition of more information. The integration allows different groups of members to have access to different parts of the web site (for example Council papers are being kept on the web site but are only visible to Council members). There is also ability for individual members to control what information about them is visible to the public, to other members or not visible. This has allowed the previous directory of registered members to be discontinued and replaced with access,

through the web site, to data about registered members, including an on-line CV (provided the member has entered such information).

Towards the end of the previous financial year (2008/09), accountancy firm Grant Thornton undertook a preliminary review of the NZIF accounts. This review found, amongst other things, that:

“While the Institute’s current format does comply with the minimum reporting requirements, the current basic layout and content of the reports does not give the reader that reassurance that comes from disclosing more non-financial information and having a professional report structure.

“Best practice mandates the addition of non-financial information and commentary to Financial Statements to give a picture beyond the basic results;

“Currently the financial statements are being prepared on a cash basis. We would strongly recommend that the Financial Statements are prepared on an accrual basis. This would mean that the income and expenses better reflect the year in which they were incurred and earned. From a professional viewpoint, preparing Financial Statement on an accrual basis also demonstrates a level of financial sophistication.”

Council agreed to overhaul the Institute’s financial reporting. Included in this was a desire to eliminate the historical practice of taking information from the accounting database, re-entering it in spreadsheets and manually adding other information not in the database to produce the financial reports presented to Council Meetings and to members at the AGM. Council believed that this process was an unnecessary duplication of effort and was vulnerable to errors.

The process was complicated by difficulties in resolving the 2008 conference accounts due to personal tragedies of the conference manager. The accounts were completed in late 2009 and it was hoped that the 2009 accounts could be completed in the Christchurch database with final 2008/09 financial statements being produced directly from it. Unfortunately we discovered that more work was required than expected and that the MYOB software being used was an early version. Early in 2010 the Christchurch Secretariat advised that the task was beyond her capabilities. The decision was made to switch accounts processing, including the incomplete changes to the Wellington administration immediately.

These difficulties have made it impossible to finalise the 2008/09 and 2009/10 financial statements in time for the 2010 AGM. But this annual report does include some provisional statements for both years and more information on the process being followed to complete the task.

Membership

Membership has remained relatively stable during the year. Although total numbers are down by 3 compared with last year, Registered Members have increased by five, full members by seven and graduate members by ten as we encourage members to move to higher membership categories.

Registered Members

The Registration Board has worked hard over the year to ensure Registered Members meet their obligations, to revise procedures and policies and to place more information on the web site. It is disappointing though that some Registered Members are still quite tardy in meeting obligations regarding the annual re-registration and five-year review requirements. I strongly support action by the Board to enforce time limits and other requirements. Not to do so effectively downgrades the status of other Registered Members.

Submissions and Representation

The Institute has made over 15 submissions and presentations during the year. This is a big work load for the submissions committee. The work for these falls on a very small number of willing members and I am very grateful to Murray Parrish and Geoff Thorp for the time and effort that they put into this activity.

Status of Forestry

Despite all the effort that the Institute puts into submissions, publications and meetings, I remain concerned that the voice of professional forestry (as opposed to the voice of commercial interests in forestry) is all too often being missed or overlooked both in New Zealand and overseas. Forests provide significant benefits to society, but all too often these benefits are being nationalised (often without compensation). Forestry suffers in comparison with other land uses where liabilities, rather than benefits, are more likely to be nationalised as society condones the non-application of the polluter pays principle.

Part of the problem is that it is easy for society to focus on the more visible aspects of forestry – significant landscape changes when a mature crop is harvested, logging trucks on roads, increased sediment for short periods associated with harvesting operations, damage from logging waste or windfallen trees during exceptional storm events, conversion of forest to farmland (which is usually seen as the fault of the forest owner rather than the new land owner), logs being exported in unprocessed form and issues around large processing plants.

Focus on felling of natural forest in the global situation also affects the image of forestry. It acts against the use of forest products, even though the alternative products like concrete and steel are likely to be less environmentally friendly.

In the global context we have seen forest policies that treat forests for one purpose or another in ways that have little basis in biological reality or practical application. This has become particularly the case in climate change policies and I regret that we have been unable to convince successive New Zealand governments that they should leave accounting for those flawed agreements as a government responsibility “at the border” and instead put in place domestic policies that support, encourage and assist establishment of more forests (including more indigenous forest on steep, erosion prone sites where production forestry is unlikely to be viable, more domestic processing and greater use of timber products). The benefits to New Zealand are likely to be far greater than from current policies and should still enable the country to meet those international obligations.

How can professional forestry get this message across to politicians, officials, the media and the public? How do we establish our credentials as a profession, not as a pressure group in the minds of politicians, officials, the media and the public? It is hard work

Conclusion

I thank the members of the Council, the Board, the Fellows' Committee, the Valuation Working party, the local section committees, Susan Sheppard at the Christchurch Secretariat, Cara Hunt and Talya Horrocks in the Wellington office, Helen McDonald who produces the newsletter, Mike Smith the Journal publisher and Don Campbell the web master for all their efforts during the year. The Institute is served by a remarkable and diverse bunch of people and we are the stronger for it.

I want to make particular mention of several people. After having served on Council for ten years or more Hugh Bigsby, Euan Mason and Howard Moore decided not to stand for the new Council. Howard has been Treasurer for many years, while Hugh and Euan, in addition to serving on Council, have each been editor of the Journal. Peter Berg decided not to stand for re-election to the Registration Board, a position he has held for 12 years.

Susan Sheppard has provided secretariat services from Christchurch for many years. I acknowledge her efforts and for being the main point of contact for members and others alike. Thank you Susan.

James Barton has also stood down after two years as Secretary. New to Council following the recent elections are John Vaney, James Treadwell, Chayne Zinsli and David Evison, while David Lowry is joining the Registration Board.

In closing I wish to acknowledge the support that I have received from so many members over the last year. It is the interaction with members that makes being President so worthwhile, so thank you all.

Andrew McEwen
President

HONOURING OUR MEMBERS

Deaths

It was with sadness that the Institute recorded the death of five long standing members during the year.

Name	Membership Category	Location	Joined NZIF	Died
Peter John McKelvey	Fellow and Honorary Member	Christchurch	1947	11 August 2009
Jim Smith	Retired Full (Life) Member	Dunedin	1963	23 December 2009
Edward Weeden	Retired Full (Life) Member	Auckland	1980	12 August 2009
Rodney Davies	Retired Full Member	Auckland	1981	April 2009
W.J (Bill) Gimblett	Retired Full Member	Southland	1962	16 January 2010

New Year Honour

Congratulations to NZIF Full Member Nicholas John Ledgard, Rangiora for his New Year Honours award of a Companion of the Queen's Service Order (QSO) for services to forestry. Nick is well known for his work on high altitude forestry, spread of wildings and farm forestry.

New Honorary Member

The 2009 Annual General Meeting at Nelson, elected **Thomas Charles Raymond White** to be an Honorary Member of the New Zealand Institute of Forestry.

Professor White was born in Ruawai in August 1927. He started his career as a technical trainee in the New Zealand Forest Service in 1946, gained a B.Sc. from Auckland University College of the University of New Zealand and a B.Sc. in Forestry from Edinburgh University, Scotland in 1954.

On completion of his degree he was appointed a forest entomologist at the Forest Research Institute in Rotorua and proceeded to set up the Forest Biology Survey.

In 1962, White won a three year Wool Research Trust Fellowship at the Waite Agricultural Research Institute in South Australia to take up Ph.D. studies. His thesis topic was "Food and Outbreaks of Phytophagous Insects". On completion of his Ph.D. in 1966, Dr. White resigned from the NZ Forest Service to join the staff of the Department of Zoology at the University of Adelaide. In 1972 he was appointed Foundation professor and Head of the School of Natural Resources at the University of the South Pacific in Suva. In 1977 he was appointed Dean of Applied Science at the Riverina Murray Institute of Higher Education (later known as Charles Sturt University). On retirement in 1987 he returned to Adelaide as an Honorary Visiting Research Fellow at the Waite Institute.

The requirement for nomination as an Honorary Member requires that the nominee must have been outstanding in:

- (a) Service to the Institute and/or
- (b) Contributing to or influencing the practice of forestry in New Zealand.

The basis for this nomination is the contribution that Professor White has made to forestry in New Zealand. As brought out in the background information above, Professor White has made three significant contributions:

- (1) He was responsible for the establishment of the Forest Biology Survey in 1956;
- (2) His research leading to the understanding of the primary role that plant stress plays in the build-up of insect infestations, rather than the insects being the primary cause of the initial stress;
- (3) His personal account of his experiences as a Forest Service Technical Trainee, a work that documents a training scheme that played a very significant role in the careers of so many forestry professionals.

NZIF Fellows

A Fellow of the Institute is a Retired (but not Retired Associate), Registered or Full Member who has recognised by members as having achieved eminence in the profession.

Candidates for election as a Fellow:

- Have been nominated by two Honorary Members, Retired (but not Retired Associate), Registered, or Full Members;
- Have been a Retired (but not Retired Associate) a Registered or a Full Member at the time of nomination and must have been such a member for at least five years immediately prior to the nomination;
- Have had at least 15 years' experience in the practice, administration or teaching of, or research in, some branch of forestry, of which at least five years must have been in New Zealand;

Election as a Fellow requires the approval of a majority of the Honorary, Retired (but not Retired Associate), Registered and Full Members present at an annual general meeting of the Institute.

The 2009 Annual General Meeting at Nelson elected 11 new Fellows.

Peter Douglas Clark, Registered Member, Rotorua
Garth Cumberland, Registered Member, Auckland
Russell William Dale, Full Member, Rotorua
David Alexander Field, Retired Full Member, Rotorua
Hamish Hunter Levack, Registered Member, Wellington
John Piers Maclaren, Registered Member, Rangiora
Christopher John Keith Perley, Registered Member, Napier
Christopher (Kit) Read Richards, Registered Member, Rotorua
Hugh Stevenson, Full Member, Christchurch
Phillip James Taylor, Full Member, Christchurch
Dr. Richard Charles Woollons, Retired Full Member, Christchurch

During the year, one Fellow died (Emeritus Professor Peter McKelvey).

Number of Fellows at 1 April 2009	27
New Fellows elected	11
Deceased	1
Number of Fellows at 31 March 2010	37

Forester of the Year 2009

The New Zealand Institute of Forestry Forester of the Year Award for 2009 was presented jointly to George Asher of Turangi and Dr David Bergin of Rotorua at the Institute's annual conference in Nelson.

George Asher has guided the Lake Taupo and Rotoaira Forest Trusts from passive landlord to active forest manager. He played a key role in the central North Island treaty settlement and in guiding the objectives of the new CNI entity to one of maintaining a large forestry enterprise, possibly even a large integrated forestry entity – this in the face of general trends amongst forestry companies towards disaggregation and exit from vertical integration. In doing this he has built on Maori tradition and features of Maori land ownership to develop a commercial enterprise capable of operating in the 21st century. Mr Asher has participated regularly in international negotiations (e.g. FSC) bringing a commercial indigenous New Zealand view into debates where indigenous rights are often treated very differently. The award to George also recognises the increasing participation of Maori in commercial forestry and the opportunities which arise from having traditional Maori values accommodated in commercial forestry.

David Bergin also operates in an indigenous New Zealand environment. In his case he has focussed on research and promotion of indigenous species and particularly the establishment of plantations of such species for commercial use and for restoration. Dr Bergin has been a senior scientist at Scion (New Zealand Forest Research Institute Ltd.) for almost 30 years and has continued to succeed in a scientific environment where funding is difficult to obtain. He is an important contributor to Tane's Tree Trust and is an enthusiastic contributor and passionate advocate at workshops, hearings and meetings of a range of organisations. David has produced a number of very important publications in his field. The award to David recognises the importance of New Zealand's native tree species and their potential role in a commercial environment.

The Forester of the Year award is a large carved wall panel, a 1989 work of Rotorua carver Lyonel Grant. The principal elements portrayed in the carving are Papa Tuanuku and the children of Tane Mahuta (the forests, both native and exotic) as well as an effort to capture their respective uses using traditional design techniques in a contemporary form.

Chavasse Travel Award

Wade Cornell, Full Member of Auckland, was awarded \$3,500 from the Chavasse travel award to assist with travel expenses associated with a project to collect cones from elite genotypes of redwood (*Sequoia sempervirens*) in the US. Wade's project included working with NZIF member Dr Pascal Berrill of Humboldt University and NZIF Honorary Member Prof Bill Libby and bringing some of the seed back to NZ to continue work he has been undertaking with redwoods over a number of years.

Grant from Mavis Davidson Bequest

NZIF Full Member Stephanie Rotarangi was awarded a grant of \$1,300 to assist with travel and accommodation expenses associated with her Otago University PhD project. Steph is investigating the relationship between Maori resource management values and plantation forestry in NZ.

NZIF Student Awards 2009

The Frank Hutchinson Award of \$1,000 for a post graduate student went to Alwyn Williams, a PhD student at Canterbury University's School of Forestry.

The Undergraduate Student Award of \$1,000 went to Amanda Farrell, a Bachelor of Forestry Science student at the School of Forestry, University of Canterbury.

The Mary Sutherland Award of \$1,000 for a student at a Polytech was awarded to Rowan Monk of Waiariki Institute of Technology, Rotorua

GOVERNANCE AND ADMINISTRATION

CONSTITUTION

The 2009 Annual General Meeting passed five resolutions to amend the Institute's Articles of Association. The motions covered:

1. Clarification of the need for a proposer and a seconder for each application to join NZIF;
2. A change to allow the use of internet banking, rather than making all payments by cheque;
3. Changes to the complaints and disciplinary process for Registered Members;
4. Changes to a number of provisions relating to registration consequent on changes in procedures recently accepted by the Council and the Board;
5. Renumbering and other consequential changes resulting from the approval of the above amendments.

The amended Articles were filed with the Registrar of Incorporated Societies and placed on the Institute's web site.

A motion to amend the Code of Ethics was defeated.

NZIF COUNCIL

The Council met on 7 occasions. Five meetings were held in Wellington, one in Rotorua and one in Nelson.

Council coopted Chayne Zinsli to join the Council from the 6 October meeting.

Attendances at meetings (out of a possible 7) were:

McEwen	7
Bigsby	5
Moore	7
Barton	7
Maclaren	2
Goulding	5
Hughes	6
Mason	5
Parrish	7
Schrider	7
Thorp	5
Zinsli (possible 4)	1

Elections for the 2010/12 Council were held in March 2010. There was only one candidate for each of the positions of President, Vice President, Secretary and Treasurer. There were seven candidates for the six Councillor positions so a vote was required. The 2010/12 Council, which takes office on 1 June 2010 is:

Andrew McEwen	President
John Vaney	Vice President
James Treadwell	Secretary
Chayne Zinsli	Treasurer
Piers Maclaren	Editor
David Evison	Councillor
Chris Goulding	Councillor
Bert Hughes	Councillor
Murray Parrish	Councillor
John Schrider	Councillor
Geoff Thorp	Councillor

CHARITABLE TRUST

The 2009 Annual General Meeting approved a motion that the Institute establish a charitable trust for the purposes of advancing education in forestry and acquiring and disseminating scientific and technical knowledge and information relating to forestry. Members also approved the transfer of a number of the Institute's special purpose funds to the trust once established.

The Council has had a draft Trust Deed prepared for its consideration, but this has yet to be completed and the Trust established.

MEMBERSHIP

Membership changes during the year to 31 March 2010 were:

	@ 1/4/09	Deceased	Transferred				Struck Off	@ 31/3/10	Change	Fellows		
			Joined	In	Out	Resigned				@ 1/4/09	@ 31/3/10	Change
Honorary	11	1	1				11	0	5	4	(1)	
Retired												
Registered	2						2	0	0	0	0	
Regist (Life)	1						1	0	0	0	0	
Full	41	2		7			46	5	4	6	2	
Full (Life)	18	2					16	(2)	4	4	0	
Associate	1						1	0	0	0	0	
Subtotal	63	4	0	7	0	0	66	3	0	10	2	
Registered	73			9	4		78	5	4	10	6	
Full												
Full	430		26	9	18	6	436	6	10	13	3	
Full (Hold)	3			1			4	1	0	0	0	
Subtotal	433		26	10	18	6	440	7	10	13	3	
Graduate												
Graduate	25		2	9	1		35	10			0	
Graduate (Hold)	1						1	0			0	
Subtotal	26		2	9	1	0	36	10	0	0	0	
Associate												
Associate	143		6	3	6	8	135	(8)				
Assoc (Hold)	7			1	2	4	2	(5)				
Subtotal	150		6	4	8	12	137	(13)	0	0	0	
Student												
Student	78		9		9	6	62	(16)				
Stud (Hold)	0			1			1	1				
Subtotal	78		9	1	9	6	63	(15)	0	0	0	
Totals	834	5	44	40	40	24	831	(3)	27	37	10	
Year to 31/3/09	854	1	55	122	122	59	834	(20)	25	27	2	

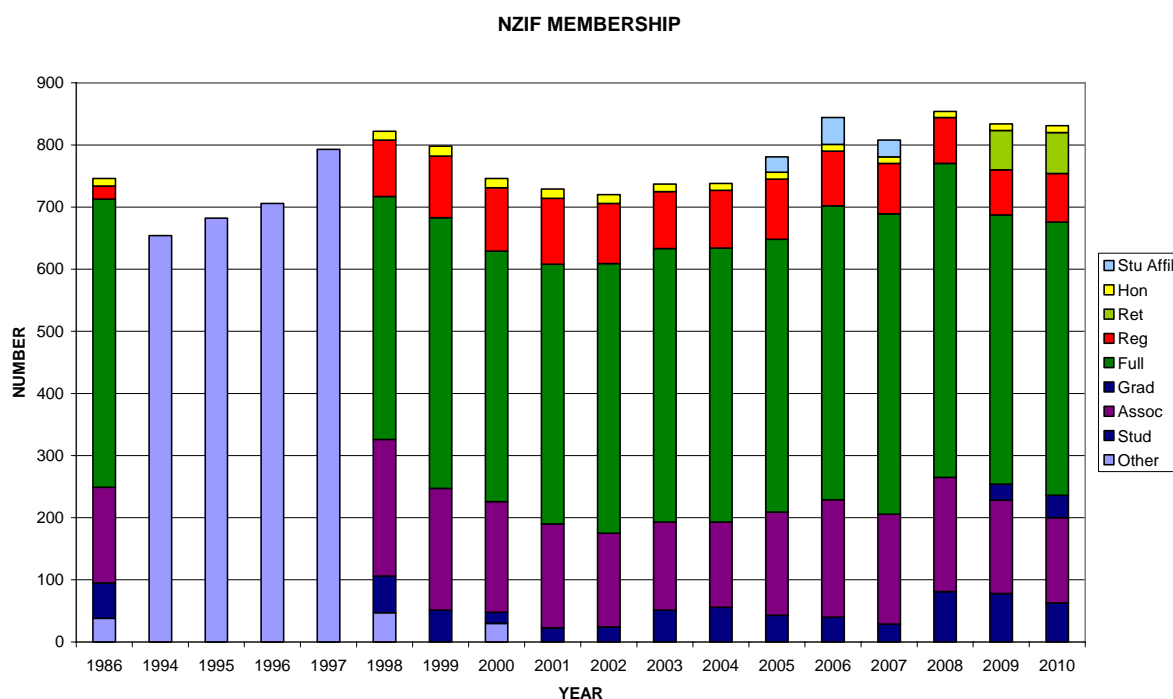
While there has been a drop of three in total membership, there has been movement up the membership ladder with an increase of five in the number of Registered members, seven in

Full members and ten in Graduate members. There have been decreases in Associate and Student members.

When an adjustment is made for members in arrears with their subscriptions and with membership on hold, effective membership has dropped by nineteen.

Membership Class	At 31 March 2009				At 31 March 2010				Change
	Members	In arrears	On Hold	Effective Members	Members	In arrears	On Hold	Effective Members	
Honorary	11	0	0	11	11	0	0	11	0
Retired	63	1	0	62	66	4	0	62	0
Registered	73	0	0	73	78	0	0	78	5
Full	433	15	3	415	440	25	3	412	(3)
Graduate	26	0	1	25	36	2	1	33	8
Associate	150	12	7	131	137	15	2	120	(11)
Student	78	1		77	63	3	1	59	(18)
Total	834	29	11	794	831	49	7	775	(19)

The trend in membership numbers in recent years is shown in the diagram below.



NZIF ADMINISTRATION

The NZIF Council has been progressing a major upgrade to the administration of the Institute's finances. There are various steps involved including:

- Establishing a presence in Wellington in 2008 by leasing some space in the NZ Forest Owners Association premises. This has helped to raise the profile of the Institute. Other bodies operating out of the premises are the Wood Processors Association, the Farm

Forestry Association and Woodco. Sharing space increased contacts between the various forestry and their members.

- In 2009 Council agreed to move the administration function from Christchurch to Wellington. This has seen progressive reduction in the services provided by Susan Sheppard and the negotiation of new administration arrangements with the Wood Processors Association.
- Commencing to use internet banking to provide more ready access to bank accounts and to speed up the processing of payments (particularly reimbursement of expenses incurred by Council and Registration Board Members);
- Introducing a new membership data base that includes billing for annual membership subscriptions, billing for journal subscriptions, ability to take secure credit card payments (which will allow internet sales of publications), etc;
- Replacing the previous system of reporting to rely on an up-to-date version of the MYOB accounting software to track accounts, accept and make payments and to produce management and other reports.

Further information on the upgrade to the accounts is set out in Financial Statements section of this report

Membership Database

One of the consequences of the decision to move NZIF administration to Wellington was the need to have a new membership database to replace the obsolete software used by the Christchurch administration.

After evaluation, Council agreed to transfer membership data to Memberconnex, a software-as-a-service membership relationship management system provided by Auckland based company Cyberglobe Software Ltd. This service was already being used by a number of New Zealand professional bodies.

In addition to storing membership data, the service allows individual members to update their details and profile, includes membership renewals and accounting, can accept credit card payments. The database can be integrated with an organisations web site and Council agreed that the Institute's existing would be transferred from the University of Canterbury to the Memberconnex service.

There are many other features in the Memberconnex service that are being explored as time permits. A council web page has been included (accessible only to Council members) to hold Council papers and other documents. It will be possible to set up local section and special interest group distribution lists. Non-member Journal of Forestry subscriptions are being handled through the database. There is also a facility, which the Institute has not yet explored, that will allow on-line surveys and voting. It is likely that such a facility might significantly reduce the cost of Institute elections in the future.

PROFESSIONAL DEVELOPMENT

REGISTRATION BOARD

The Registration Board met 3 times during the year.

Seven new registration applications were approved and 17, five-year reviews were completed.

While the numbers aren't great in terms of members applying for registration the overall registered member numbers increased by five to 78 during the period.

The Board has focused on trying to undertake its business more effectively this year by streamlining and documenting its systems and therefore providing a more solid management platform. Administrative effort was applied to registration renewal, filing of CPD, application processing procedures and complaints procedures. The renewal effort was rewarded with the 2009 registration list fully up to date by mid 2009. Unfortunately renewals for a number of members have not been prompt again in 2010 and it appears that the Board will need to address this issue once again.

A number of Registration Board processes and procedures, plus application forms have been placed on the new web site. Board procedures for handling complaints have been reviewed following changes to the Articles at the 2009 AGM.

One complaint against a Registered Members was investigated during the year but was determined as a commercial issue rather than a professional/ethics issue.

Peter Berg, who has served on the board for 12 years has not offered himself for re-election taking place at the end of the financial year. Ian Page, the other member whose term expires on 31st May is standing again.

NZIF FOREST VALUATION WORKING PARTY

Membership during 2009/10

Convenor

Dr Bruce Manley

Members

Peter Berg
 Mike Colley
 Peter Gorman
 Bill Liley
 Andre Neumann
 Brian Rawley
 Theo Vos

Activities

The Working Party met three times during the year. Main activities have been:

- Preparation of a discussion paper that allows the use of the current replacement cost approach for the valuation of young stands;
- Reviewing how to deal with land improvements, particularly roads;
- Monitoring the development of accounting standards:
 - Revision of NZ IAS 41 Agriculture;
 - Implementation of International Financial Reporting Standards;
 - IASB Exposure Draft on Fair Value Measurement;
- Initiating the process of including carbon in forest valuation. The NZIF has been contracted by MAF to undertake a project “Capability Building for Land and Forest Valuers” that includes the preparation of guidance material on how the value of carbon emissions and associated liabilities should be treated when valuing land and forests;
- Undertaking the 2009 discount rate survey.

During the year Alan Barnes and Steve Croskery resigned from the Working Party. Alan and Steve, foundation members of the Working Party, are thanked for the significant contribution they made to the development of the NZIF Forest Valuation Standards. Their understanding of the interface of forest economics and accounting has underpinned the work of the Working Party since 1993.

EDUCATION & TRAINING

ETS Workshops

NZIF hosted six workshops (Balclutha, Christchurch, Wellington, Rotorua, Auckland and Nelson) on the operation of the Emissions Trading System (ETS) between 7th May and 7th June 2009. The instructors at each workshop were Rob Miller (Registered member), Bruce Anderson and Craig Trotter (both non-members) from MAF and each one was chaired by an NZIF Council Member

Each workshop lasted for at least five hours, some more. Those Council members who chaired the meetings used the opportunity to stress the importance of registration and for registered members to understand the requirements of registration and the code of ethics. A strong theme from the presenters was the incorrect advice being received by clients (not necessarily just from NZIF members) and the fact that a large proportion of ETS returns received by MAF had to be returned for correction before being processed.

A total of 245 people attended the workshops including 46 registered members and 78 non-members.

Revenue from the workshops was \$16,486 and costs \$8,217, making a surplus for Institute funds of \$8,269.

Accreditation

The Council considered a request from the School of Forestry to investigate the possibility of establishing an accreditation scheme for a forestry degree course.

The outputs of accreditation include:

- For the NZIF
 - It demonstrates commitment by NZIF to the setting and maintenance of forestry education standards
 - Degrees, diplomas, etc., that have been accredited by NZIF provide the basic qualifications that NZIF can accept for different categories of membership;
- For the education facility:
 - They have some assurance that the programme they offer is acceptable to the forestry profession;
 - They can use accreditation within their organisation to justify their programmes;
 - They can use accreditation as a marketing tool to attract students;
- For the public
 - Demonstrates that education facilities and the graduates from them meet standards acceptable to the profession.

The Council felt that embarking on an accreditation process is not something to be started lightly. It would require significant resources to get under way and to maintain the process once established. It is likely to include at least the following:

- Defining what NZIF would expect in an accredited forestry programme curriculum;
- Defining what NZIF would expect regarding the organisation and administration of the forestry programme (including the support of the parent institution)
- Defining the procedures for accreditation. Both SAF and IPENZ have formal procedures which include an accreditation team receiving a formal report from the institution, followed by a 2-3 day visit to the institution with specified people to be interviewed – staff, students, administrative staff, etc.
- Establishing procedures for review of accreditation once gained.

Council agreed that it did not have the resources to pursue this during its term and that it would refer it to the 2010/12 Council for further consideration.

CONTRACT WITH MAF

NZIF has entered into a contract with the Ministry of Agriculture and Forestry to prepare guidance material for valuers on how the value of carbon emissions and associated liabilities are to be treated when valuing land and forests including particular issues associated with ETS (forestry) on multiple-owned Māori land. Recommendations are required to assist professional organisations such as the Property Institute of NZ and the NZ Institute of Forestry to update their valuation standards to incorporate the requirements of the ETS.

GENERAL SERVICES TO MEMBERS

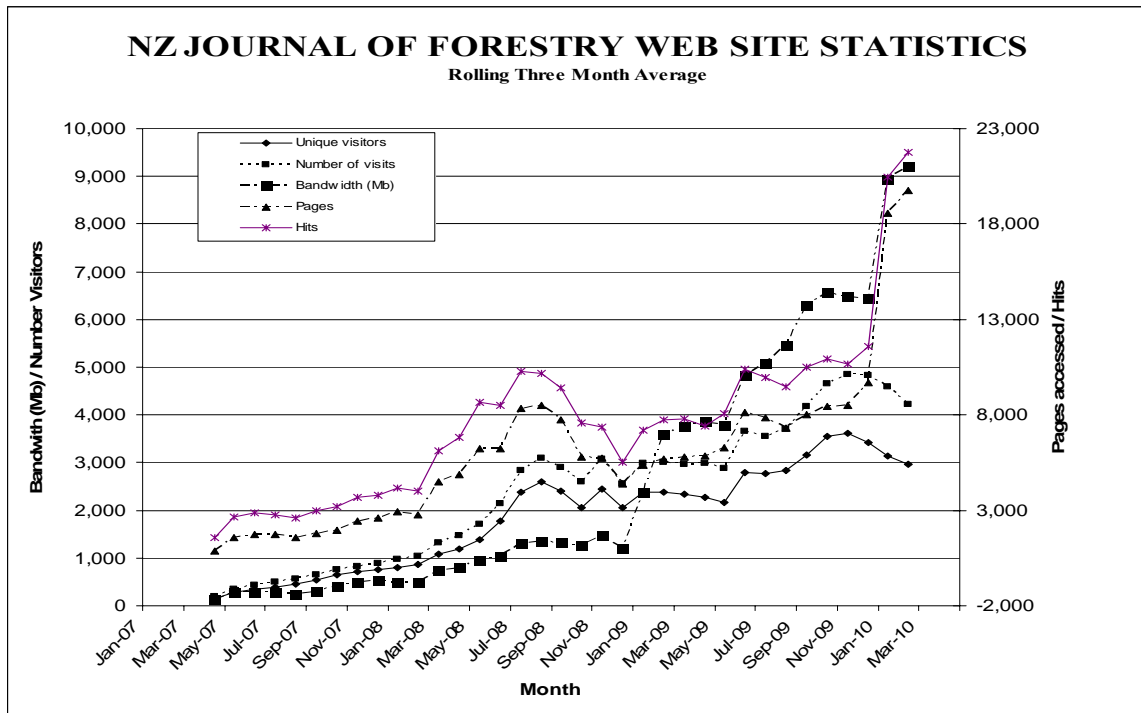
PUBLICATIONS

Journal of Forestry

As is traditional, four 48-page editions of the Journal of Forestry were published in the 2009/10 year.

- The May 09 issue featured seven papers on land use and land-use change, plus a paper on the contribution of invertebrates to the decay of dead wood in NZ plantations. In addition, there was the normal material: editorial, Institute news, education news, letters and a column by John Purey-Cust.
- August 09 featured “pruning in a recession” and surveyed the largest forestry companies with regard to their attitudes to pruning. It seems there has been a definite trend away from clearwood regimes, possibly triggered by current low premiums for this material. Five articles related to the June 09 NZIF Conference in Nelson, and covered a wide range of subjects.
- The November 09 edition surveyed a sample of members to discover their attitudes to Climate Change – of great relevance to contemporary forestry. It seems that NZIF members are typical of the public at large, and vary greatly in their level of knowledge about this subject, in its significance and in their preferred course of actions. There was an article from the well-known NZIF Sceptics and a reply from a Greenhouse activist.
- February 2010 had no theme, but contained a number of unrelated but interesting articles: controlling root-rot in radiata pine seedlings, variation in bird species in plantations, how the ETS will affect planting rates, and a history of fire in New Zealand.

Access to the on-line journal continues to grow as shown in the graph below. Visitors are running at 4-5,000 a month, looking at over 18,000 pages. The site continues to be managed by Don Campbell of Liquid Silicon in Christchurch, although investigations are underway to see how it can be made more compatible with the new web site, including the ability to use the same username and password access for both the main web site and the Journal site.

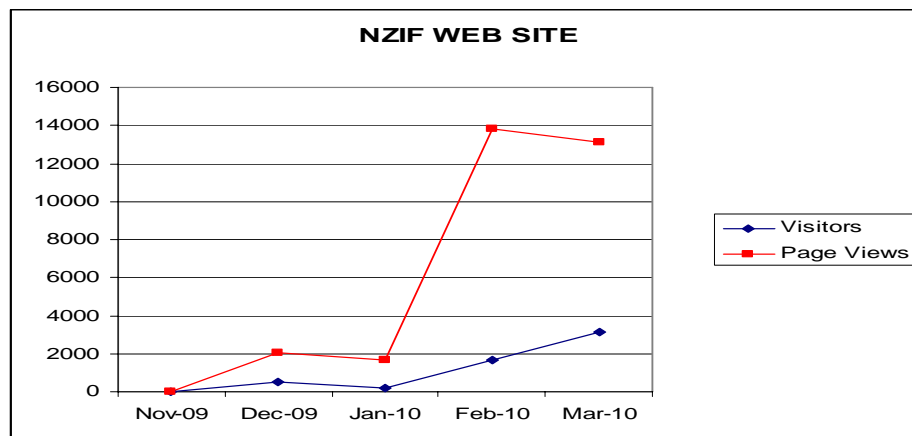


Newsletter

The weekly electronic newsletter continues to attract interest, comment and advertising. The introduction of the new web site has allowed some information to be placed on the web site rather than in the newsletter and this has helped keep down the length of the newsletter. Distribution is now through the new membership database, which has streamlined the operation.

Website

As discussed elsewhere, the NZIF web site was redeveloped as part of the implementation of the new membership database. Use trends are shown in the diagram below



LOCAL SECTIONS

Northland Section

Contact: Neil Geerkens

Auckland Section

Chair: Peter Hill

CNI Section

Chair: David Herries

Gisborne Section

Contact: Marty Watson

Hawkes' Bay Local Section

Officers

Chair	Bob Pocknall
Secretary/treasurer	Barry Keating
Auditor	Ian Lyver

Activities

Four meetings were held during the year

3.6.09:-	AGM then Chris Perley spoke on why IRR is brain dead
30.6.09:-	Nick Ledgard spoke on forestry under Everest
26.8.09:-	Russell Dale spoke on Future Forests' aspirations to improve forestry growing profitability
30.9.09:-	Peter Clark spoke on forestry today – where are we and what are the opportunities

Accounts

The signatories are Bob Pocknall, Brett Gilmore and Barry Keating

The BNZ account at 31.3.10 held \$428.97.

SNI Section

Chair: Jon Dey

Nelson-Marlborough Section

Chair: Mike Marren

The section assisted with the NZIF 2009 AGM and conference in Nelson. No other activities were organised, but members participated in Farm Forestry Association events.

West Coast Section

Convenor

Michael Orchard

Activities

The West Coast Local Section continues to work closely with The West Coast Branch of the Farm Forestry Association (Michael Orchard is an official contact for both). Four meetings were held during the year.

Canterbury Section

Committee

Chair	Mark Bloomberg
Secretary/Treasurer	Dennys Guild

Activities

- 10 March 2009 AGM followed by Luis Apiolaza as guest speaker on Forestry in Brazil
- 8 May 2009 MAF meeting on ETS. The local section hosted a meeting where MAF brought local members and others, up to date with developments in the ETS.
- 22 July 2009 students meet the industry. The Canterbury section hosted a “meet the professionals” evening for School of Forestry students, where members working in various areas of forestry told the students about their specialized line of work and how a young forestry graduate can get into it. Once again, there was a good response from the students. Thanks go to Dennys Guild and the speakers who gave of their time to talk with the students.
- 16 September 2009 Jim Carle spoke on his work at FAO. NZIF member and School of Forestry graduate Jim Carle gave a stimulating talk on his work as head of FAO's Forest Resources Development Service in Rome.
- 22 October 2009 Joint Meeting with Farm Forestry Timber. Building research with Dr Andy Buchanan
- 3 December 2009 End of year dinner. The traditional end of year function was held at “the Elms”. Once again, a good evening was enjoyed by all attending. Bill Studholme gave a thoughtful talk entitled “Foresters - have we lost the art and are we fiddling with the science? An examination of the last 100 years of forestry in NZ.”

The section assisted with organisation for the NZIF 2009 Conference in Nelson.

There has been good news and sad news this year. One of our long-standing members, Nick Ledgard, has received the QSM for services to forestry. Our hearty congratulations go to Nick for this special honour. On a much sadder note was the passing of Prof. McKelvey in August last year—one of NZ’s premier foresters and an honorary fellow of the NZIF.

Otago-Southland Section Committee

The following were elected at the 2008 AGM held in Gore on 21st July 2009.

Chairperson:	Angus McPherson
Secretary:	George Platts
Treasurer:	Parnell Trost
Committee:	Jim Smith, Percy Parker, Richard Thum, Murray Harris, John Purey-Cust
Southland sub-committee:	Ted Ramsay, Roger Washbourne, Paul Cox, Bill Gimblett, Ernie Nicholson, Graeme Milligan

Two long standing committee members, Jim Smith and Bill Gimblett died during the year. We acknowledge their contribution to forestry in New Zealand and in particular to Otago and Southland with thanks.

Activities

Three meetings were arranged and organized by your committee:

- **1 April 2009** – Combined meeting with the Southern Wood Council. “Sawdust and Sweat”, a slide show which detailed early life in the bush working with logging and sawing equipment.
- **7 May 2009** - MAF/NZIF ETS Technical workshop. Held at Telford to explain to forestry professional the intricacies of the Emissions Trading Scheme and its implementation. An NZIF national initiative, but with significant local input.
- **21 July 2009** - Gore RSA. John Purey-Cust reflected on forestry over his working life, along with some perceptive insights to the changes he has witnessed. 2009 AGM.
- **6 August 2009** - Combined meeting with the Southern Wood Council. Two presentations. “NZ Wood – Effective Promotion of the Wood Message”. Geoff Henley. Programme Manager for NZ Wood detailed some of the tools used behind the campaign, where it’s going after two years and look at some of the other campaigns being used.

Ian Boyd CEO of FITEC, outlined a major study of successful forestry and wood products training schools in Europe. This was the background that has led to the proposal to develop a new training school for the wood products industry in NZ.

- **Waitangi Weekend** – Study trip. This year’s study trip was at Waitangi Weekend to the Hump Track, with 14 local members attending.
- **10 March 2010** - Combined meeting with the Southern Wood Council. Two presentations.

David Rhodes, CEO of the NZ Forest Owners Association, outlined what the changes to longer and heavier vehicles are going to mean to local companies.

John Kerr, Wenita Forest Products, discussed the extent of the Black Saturday Bush Fires of Victoria and lessons for the forestry industry in NZ.

- **25 March 2010** - Future Forests Research - Russell Dale CEO gave background on the formation of FFR from the research co-operatives, their current structure with the various themes and the significant advantages of the FFR model in terms of securing FRST funding and working with industry.

John Edmonds Memorial Project

There has been limited progress with the Significant Tree Project. We are considering the best mechanisms to get the information collected into a useful and readily accessible format, possibly in conjunction with the Dunedin City Council.

Finances

Finances continue to remain in a very healthy state due to the prudent management of funds by our Treasurer.

SPECIAL INTEREST GROUPS

Special interest groups and their convenors are:

Climate change and energy	Peter Brown
Forest history	John Schrider
Indigenous forestry	Andrew McEwen
Land and other resource use	Andrew McEwen
Redwoods	Wade Cornell
Silviculture	Robin Trewin
Social and urban forestry	Ron O'Reilly

Women in forestry	Yannina Whiteley
-------------------	------------------

The Women in Forestry special interest group published one issue of the newsletter Woodswoman and canvassed what people want out of the group. This seems to be a forum to talk to each other, and to get to know each other, and some interest in mentoring. Some coffee meets in Christchurch and other major centres were poorly attended.

Contact has been made with the 'Network for Women in Forestry' with a view to some cooperation.

No reports of activity during the year have been received from other special interest groups.

NZIF CONFERENCES

2009

The NZIF 2009 conference and AGM was held in Nelson from Sunday 7th to Tuesday 9th June. The conference theme was “Forestry in a Climate of Change”.

Attendances were:

Conference	103
Dinner	86
Field Trip	59

The conference was financially successful:

Income	\$39,030 (included sponsorship of \$13,500)
Expenses	\$21,924
Surplus	\$17,106

2010

Conference 2010 is being held in Rotorua from 10-12 June on the theme “The Value of Forests: Exploring the Commercial, Environmental, Cultural and Community Values of NZ’s Forests”.

2011

Conference 2011 will be the four-yearly joint conference with the Institute of Foresters of Australia. It will be held in Auckland on the theme Pacific Forestry.

ADVOCATE FOR FORESTRY

NZIF POLICY AND POSITION PAPERS

Pressure of other activity prevented development of any policy and position papers. In the previous year a draft position paper on the use of genetic modifications in New Zealand plantation forestry was prepared, but has yet to be completed.

DISPUTE RESOLUTION SERVICE

The NZIF web site lists a panel of practitioners who have expressed willingness to act as arbitrators or mediators in forestry disputes. The panel is maintained by the Institute's Registration Board and discussions have been initiated with the Arbitrators and Mediators Institute of NZ to update the list.

The President acted on one formal request during the year to appoint a mediator to resolve a dispute. The President also received a number of enquiries were received about resolution of forestry disputes, people who might assist with valuations, etc. Enquirers were generally referred to the "Services for the public" section of the NZIF web site.

SUBMISSIONS AND REPRESENTATION

NZIF submissions made during the year to 31 March 2010 included the following:

Green Building Regulations

NZIF submitted to the US Green Building Council, highlighting that aspects of the NZ Green Building Council's rating scheme can result in a suboptimum environmental result, because of the way that it discriminates against timber.

Resource Management (Simplifying and Streamlining) Amendment Bill.

The NZIF's primary interest in commenting on this Bill was to ensure that the interests of forest growers are better served under an amended Resource Management Act ("RMA") than NZIF considers to be the current situation. Our annual conferences have regularly highlighted the growing frustration that the long term environmental benefits of maintaining and increasing the area of NZ under forest management are not being achieved.

Methyl Bromide

A submission on the use of methyl bromide was filed with ERMA. It highlighted the importance of export markets to our forest industry, particularly China and India for logs, and Australia for sawn timber, all of which require methyl bromide treatment of the product to be done before arrival. It was also noted that its use was vitally important for our own biosecurity.

NZIF's submission supported continued research into alternative fumigants, noting however that protracted research effort to date has failed to find a useful alternative. The submission also supported continued bilateral negotiations with trading partners to accept both reductions in the use of methyl bromide and research into alternative fumigants. In the mean time we supported continued use of methyl bromide provided the ERMA guidelines were followed.

Submissions on the ETS

The NZIF made a number of submissions on aspects of climate change policy and the ETS during the 2009/10 year:

- An oral submission by the President to Parliament's Emissions Trading Scheme Review Select Committee, in support of a written submission made in the previous financial year
- Pre-1990 Forest Land Allocation Plan Consultation Draft – the NZIF expressed its concern that the complex and evolving nature of climate change legislation has the capacity to complicate and confuse traditional land sale and purchase arrangements. NZIF recommended that the full costs of quantification and documentation of compensatory credit payments should fall to the Crown. We also recommended that statutory bodies should not be exempt from the ETS regulations, and that there should be no difference in NZU allocation for pre-1990 forests if the land changed ownership since March 2002.
- Pre-1990 Forest Land Tree Weed Exemptions. The NZIF is concerned at the potential for an unreasonable situation of 'double jeopardy' arising where Government (at various levels) imposes conflicting and contradictory obligations on landowners with forest. Specifically the ETS and Regional Pest Strategy obligations on a landowner with tree weeds are contradictory. We recommended that the ETS be amended to preclude tree owners from liability under the ETS where the obligation for removal is clearly established within a relevant statutory document such as Regional Pest Management Strategy.
- Revised Indigenous Look-up Table Values for Post-1989 Forest Land and Minor and Technical Amendments. The NZIF noted that establishment, management and maintenance of indigenous vegetation seldom undertaken for direct commercial reasons. The primary motivations include philanthropic intent, mitigating conditions within resource consents and/or an interest in indigenous forest restoration. We noted that there were many areas of NZ where re-establishment of indigenous forest may be the best form of land use. However the significant costs, risks and management uncertainty associated with indigenous afforestation for carbon farming means this is unlikely to be the main driver. We urged the Government to simplify the process of application and management to make it more attractive to establish indigenous forest, and to look at other ways to encourage establishment of indigenous species in preference to introduced species.
- NZ's 2020 Emissions Target. NZIF submitted that New Zealand must participate credibly in global efforts to solve climate change problem, and that the science on which the government is relying requires significant and urgent action. When setting the targets, the government must take account of the country's ability to maintain progress beyond 2020, rather than leaving problems for later generations, and these targets must be credible and therefore be based on what is achievable. We pointed out the benefits of developing a programme to establish a significant area of new forest in a short time-

frame, the potential to reduce fossil fuels use by using currently unused and available forest resource; benefits of maximising the use of timber in buildings; and the need for direct government involvement rather than assuming the ETS will produce the correct market signals to achieve the reductions demanded.

- Climate Change Response (Moderated Emissions Trading) Amendment Bill. The NZIF recommended: that biofuel be expressly excluded from any obligation to account for emissions of GHG's; that the definition of waste be amended to ensure it does not include any solid biomass segregated and stored to avoid emission of greenhouse gases; that the Act be changed to ensure long term storage of biomass can be credited as an emissions reduction option; and warned that the definition of “solid biofuel” including “solid fuel derived from biomass” could be interpreted as applying to fossil fuels such as coal. The President appeared before the Select Committee in support of the written submission.
- The participation threshold for the activity of combusting solid biofuel for the purpose of generating electricity or industrial heat. A submission to the Ministry for the Environment
- Draft Climate Change (Stationary Energy and Industrial Processes) Regulations 2009. A submission to the Ministry for the Environment.

Support for Derogation Extensions for Cyanide and 1080

NZIF submitted in support of the application for an extension to derogations permitting the use of use of sodium fluoroacetate (1080) and sodium cyanide for pest control in FSC certified forests in New Zealand. We noted that in many instances these tools are the best, and in some cases the only, effective and efficient way to control significant pests impacting on our plantations and on the areas of natural forest within or adjacent to our plantation areas – in particular possums. We pointed out the unique biological nature of NZ, that in many instances the application of these chemicals on plantation lands is carried out at the request of the Animal Health Board (AHB), and that we consider that there are adequate laws and regulations in NZ to ensure that these chemicals will be applied in an appropriate and safe manner.

Land Transport Rule: Vehicle Dimensions and Mass

The NZIF supported the NZFOA submission on this on the basis that from a number of perspectives including timber supply, carbon balance, employment and water protection the country needs a viable commercial forest industry. We noted that the success of commercial forestry, which is heavily effected by competition in export markets, is very dependent on the ability to transport logs and forest products in a safe and cost effective manner. The NZIF agreed that the proposed new vehicle dimension and mass rules will improve productivity in log truck operations, reduce the number of trucks on the road, reduce fuel use and therefore greenhouse gas emissions and be achieved in a way that does not compromise public safety.

Horizons One Plan

NZIF monitored progress of the Horizons "One Plan", on which it has previously submitted. We are disappointed to note that the positive recognition of the role of forests in soil and water protection in the initial draft may not be sustained through to the final plan.

Land and Water Forum

NZIF prepared and made a presentation on the positive roll of forests to the Land and Water Forum, charged with advising the Minister for the Environment on possible water management reforms. The President represents the Institute at plenary sessions of the forum.

Forest tax reform

Detailed consideration was given to the need for submissions seeking reform of the tax treatment of forests and more particularly on the cost of timber provisions. In the event, it was decided on balance that a submission may not serve forestry's best interests. Council accepted that there is a balance of interests in this issue, it welcomed the healthy and detailed debate and it remains open to reconsider its position.

Commerce Commission's Draft Guidelines for Carbon Claims

NZIF made a submission to the Commission on the draft guidelines.

During the year the President has represented NZIF on:

- The reference group for the development of a National Environmental Standard for Forestry;
- Green Building Council Timber Credits Working Party;
- Standards Development Group for a New Zealand plantation forest management standard (as a nominee of the Social Chamber)
- The Land and Water Forum.

Don Hammond has represented NZIF on the Forest Biosecurity Consultative Committee.

Euan Mason represented NZIF on the Royal Society of NZ Primary Production subcommittee.

PUBLICITY

Following the 2009 AGM in Nelson, a number of NZIF media releases were issued announcing the new Fellows and winners of the various awards and scholarships. The Forester of the Year award attracted some attention from newspapers and a radio station. It also featured in Scion's Annual Report

LINKS WITH OTHER ORGANISATIONS

Council established the following guidelines for NZIF membership of other bodies:

1. **Furthering NZIF objectives.** Would membership of the entity further the objectives of NZIF? For example, would membership of the entity enhance the ability of NZIF to be seen as an independent advocate for forestry and would membership of the entity serve the members of NZIF in one or more of the ways set out in the NZIF objectives?
2. **Entity objectives.** What are the objectives of the entity?

3. **National or local.** Is the entity a local or national body within NZ? As a general rule, NZIF membership should be confined to national bodies, although Council might sanction membership of local entities by the appropriate local section;
4. **International.** Is the entity an international organisation?
5. **Other member bodies.** What other bodies belong to the entity? As a rule, NZIF should look more favourably on entities whose members are professional or scientifically oriented than on organisations whose membership is of a pressure/lobby group nature or who are predominantly commercial entities.
6. **Cost.** What is the cost of membership of the entity and could NZIF afford it?
7. **Commitment from NZIF.** What will membership mean in terms of commitment from NZIF members? For example will Council Members be prepared to put in the time to attend meetings and participate in the activities of the entity? If not, what will be the benefits of passive membership and will they have any value to NZIF and its members?
8. **Influence.** How much influence could NZIF have on the affairs of the entity? If NZIF is likely to disagree with reports, statements, submissions, etc arising from the entity, what options will there be for indicating disagreement and/or disassociating NZIF from those reports, statements, etc. Would NZIF achieve more from not being a members and putting its own views forward?
9. **Other.** Any other relevant information.

Following adoption of the guidelines, Council agreed that NZIF would resign as a member of ECO.

NZIF is a member of:

- The Royal Society of New Zealand (as a constituent organisation);
- Tane's Tree Trust;
- Otari-Wiltons Bush Trust.

The NZIF CNI section appoints a Trustee to Te Amorangi Trust.

FINANCIAL STATEMENTS

EXPLANATORY COMMENTS

The NZIF Council is in the middle of a major upgrade to the administration of the Institute's finances. There are various steps to this process including:

- Moving the secretariat function from Christchurch to Wellington;
- Commencing use of internet banking;
- Introducing a new membership data base that includes billing for annual membership subscriptions, billing for journal subscriptions, ability to take secure credit card payments (which will allow internet sales of publications), etc;
- Replacing the previous system of reporting to rely on an up-to-date version of the MYOB accounting software to track accounts, accept and make payments and to produce management and other reports.

For some years, NZIF receipts and payments have been partially processed through an early version of MYOB, on a cash basis and without any roll-over at year end. Information from that database has been extracted and re-entered by the Treasurer in a number of spreadsheets. Additional balance sheet items, some accruals and other adjustments have been made in those spreadsheets and they have been the financial reports provided to Council meetings and to the NZIF Annual General Meetings. The process is time-consuming for the Treasurer and is vulnerable to transcription and other errors.

In early 2009, at the Council's request, the accountancy practice Grant Thornton undertook a preliminary review of the NZIF financial reports. Their report included the following:

“While the Institute's current format does comply with the minimum reporting requirements, the current basic layout and content of the reports does not give the reader that reassurance that comes from disclosing more non-financial information and having a professional report structure.

“Best practice mandates the addition of non-financial information and commentary to Financial Statements to give a picture beyond the basic results;

“Currently the financial statements are being prepared on a cash basis. We would strongly recommend that the Financial Statements are prepared on an accrual basis. This would mean that the income and expenses better reflect the year in which they were incurred and earned. From a professional viewpoint, preparing Financial Statement on an accrual basis also demonstrates a level of financial sophistication.

“It may be tidier to include the details of the surpluses from the activity centres as notes in the Notes to the Financial Statements.

“We suggest additional reports should be added to the Financial Statements to provide more robust information to the readers. Most importantly would be a section for Notes to the Financial Statements. This would include (but not be limited to) information and notes on:

- Description of accounting policies used and any major changes year on year
- Taxation status of the Institute
- Any fixed assets held
- Any large unusual transactions during the reported year
- Any events that have occurred since balance date
- Details (like term, security) of investments
- Numbers of members
- Descriptions of investments held and how they are valued.”

Council agreed to work towards implementing Grant Thornton’s recommendations. Council also agreed to add local section accounts into consolidated NZIF financial statements (because they are members’ funds). Previously local section accounts and the funds in them had been treated as entirely separate from the NZIF accounts. As section bank accounts were often used for NZIF conferences, any costs and expenses still in the section accounts at year end were not being included in the NZIF financial statements for the relevant year.

The first step towards implementation was the presentation of a (very) draft annual report for 2008/09 in revised format to the 2009 Annual General Meeting in Nelson. That report still used the traditional process of data from MYOB being processed through the Treasurer’s spreadsheets, but then reformatted. The potential for errors in translation was still present.

Council then had to sort out the 2008 conference finances. This was complicated by some family tragedies suffered by the conference manager. It took several months to reconcile the various conference reports and to make sure the NZIF held all the funds owing to it.

By late 2009, Council had resolved all the 2008 conference funds and had also identified the changes that needed to be made in the MYOB database operated by the Christchurch-based Secretariat in order to have an agreed position at the close of the 2008/09 financial year (i.e. at 31 March 2009).

At this stage the Secretariat functions were being progressively moved from Christchurch to the Wellington-based administration. The new membership database had also been selected and was being installed by the Wellington administration.

Initially Council had proposed that the Christchurch-based MYOB database would be amended to provide the 31 March 2009 starting point for the 2009/10 accounts. The intention was to run the accounts in parallel in both Christchurch and Wellington (where an up-to-date version of the MYOB software was available). It was also decided that once the changes had been made, Grant Thornton would be asked to conduct a full review of the 2009/10 accounts.

In early 2010 we learnt that the Christchurch Secretariat was not able to make the changes to the data that were need to incorporate all the balance sheet items, accruals and section accounts. Accordingly the Council, at its February meeting decided to abandon the parallel processing of accounts and to transfer the accounting function to the Wellington-based administration immediately. The Wellington administration was requested to make the changes needed to establish the 31 March 2009 starting position for the revised reporting process and to process the 2009/10 accounts.

Unfortunately the changes in process forced on the Council and the size of the task have made it impossible to complete everything in time to report to the Institute's 2010 AGM. Although considerable progress has been made in establishing the 31 March 2009 baseline, it is not yet complete. Consequently the 2009/10 accounts are not complete in the database and the Grant Thornton review has not started.

Despite not being able to produce completed financial statements, Council realised that it needed to provide Institute Members at the Annual General Meeting with some indication of the state of the Institute's finances. Accordingly, this report includes:

- Draft financial statements for the year ended 31 March 2009. These show the situation at 31 March 2009 that Council expects to be reflected in the MYOB database when all the changes have been completed;
- Draft financial statements for the year ended 31 March 2010, produced by the Treasurer using the previous processes of transferring data from the MYOB database to a series of spreadsheets, using balance sheet items from the 2008/09 spreadsheets produced in the same manner and then making various adjustments for items not included in the MYOB database.

Because different data sources have been used to produce the two sets of financial statements, there are differences between the draft 2008/09 accounts and the comparative 2008/09 data in the draft 2009/10 accounts and the opening position for the draft 2009/10 accounts.

The steps being taken by Council to finalise both the 2008/09 and 2009/10 financial statements and to ensure a robust financial reporting system for the Institute are:

- Council is working with the Institute's Wellington administration to complete the changes needed to the 2008/09 year in the MYOB database. Advice will be sought from Grant Thornton to resolve any issues that may arise;
- When all the necessary adjustments have been completed, the database will be closed off at 31/3/09 and final 2008/09 financial statements will be prepared;
- Following the roll-over of the database at 31 March 2009, unprocessed data relating to the 2009/10 year will be entered and reconciled with bank statements and the membership database. Draft 2009/10 financial statements will be produced from the database;
- Grant Thornton will be asked to undertake a full review of the 2009/10 accounts, including the closing position at 31 March 2010;
- Following completion of the review, the final 2008/09 and 2009/10 financial statements will be reported to members (and to the Registrar of Incorporated Societies);
- The database will be rolled over for the 2010/11 financial year;
- Council will review the chart of accounts in the MYOB database to ensure it has the categories needed for management and other reporting and will develop the reports that it and the Registration Board need to manage the affairs of the Institute.

DRAFT FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2009

(See Explanatory Comments above for an explanation of the status of these statements)

DRAFT

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Statement of Financial Performance for the year ended 31 March 2009

	Notes	2009	2008
Operating Revenue			
Member subscriptions and related fees	2	116,973.14	102,722.12
Conference income	3	121,926.45	14,188.89
Sponsorship/donations	4	1,000.00	0.00
Advertising	5	8,441.80	7,869.59
Publications	6	18,191.55	11,305.15
Local section income	11	15,909.51	967.61
Donations for Australian Bushfire appeal	7	2,027.86	0.00
Sundry Income		539.40	20,161.14
Interest	8	10,810.96	9,723.83
Tax refund	15	0.00	204.88
Unaccounted	16	0.00	222.47
Total Operating Revenue		295,820.67	167,365.68
Less Operating Expenses			
Publications (including web site)	6	59,777.32	57,459.55
Honoraria and Meeting fees	10	4,000.00	5,499.99
Council expenses	9	14,122.89	19,925.20
Registration Board expenses	12	21,006.12	20,100.10
Fellows' Committee Expenses		1,202.67	0.00
Working Party expenses and submissions		37.33	2,630.49
Conference expenses	3	95,662.99	8,470.34
Section expenses paid by Council	11	660.00	335.00
Awards	13	5,450.56	3,666.67
General expenses	9	31,639.10	27,093.77
Loss on AMP Investment	14	707.94	10.28
Transfer of bushfire donations	7	2,027.86	0.00
Tax	15	0.00	0.00
Unaccounted	16	1,362.68	0.00
Total Operating Expenses		237,657.46	145,191.39
Operating Surplus/(Deficit)		58,163.21	22,174.29

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Statement of Financial Position as at 31 March 2009

	Notes	2009	2008
Current Assets			
BNZ Accounts	14	85,379.05	65,453.90
Term Deposits	14	112,971.46	105,600.96
AMP Cash investments	14	9,364.60	10,072.54
Cash held		0.00	72.75
Accounts and GST Receivables	17	33,316.52	12,929.77
Section accounts	11,14	17,859.02	1,949.51
Total Current Assets		258,890.65	196,079.43
Non-Current Assets			
Stocks of publications	6	37,326.82	38,570.25
Total non-current assets		37,326.82	38,570.25
Total Assets		296,217.47	234,649.68
Current Liabilities			
Accounts payable		0.00	21,147.07
Bushfire appeal	7	2,027.86	0.00
Income received in advance	17	36,473.29	13,949.50
Total Current Liabilities		38,501.15	35,096.57
Non-Current Liabilities			
Other non-current liabilities		0.00	0.00
Total non-current liabilities		0.00	0.00
Total liabilities		38,501.15	35,096.57
Net Assets		257,716.32	199,553.11
Represented by Members Funds			
Registration Board account	12	63,141.51	53,768.03
Local section accounts	11	17,859.02	1,949.51
Special purpose funds	13	137,808.88	136,189.76
Other reserves	18	38,906.91	7,645.81
Total Members Funds		257,716.32	199,553.11

Statement of Movements in Members' Funds for the year ended 31 March 2009

	Notes	2009	2008
Opening Balance at 31 March		199,553.11	177,378.82
Plus Operating surplus/(deficit)		58,163.21	22,174.29
Closing Balance		257,716.32	199,553.11

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. Statement of Accounting Policies

(a) Entity reporting

These financial statements are for the New Zealand Institute of Forestry (NZIF) Te Putahi Ngaherehere o Aotearoa Incorporated ("NZIF), a society incorporated under the Incorporated Societies Act 1908 on the 19th May 1982 (Incorporated Society No. 216334).

(b) Statutory base

The financial statements have been prepared in accordance with section 23(1) of the Incorporated Societies Act 1908.

(c) Measurement base

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments. Reliance is placed on the assumption that the NZIF is a going concern. Accrual accounting is used to reflect the effects of transactions and events when they occur.

(d) Accounting policies

The following accounting policies, which materially affect the measurement of profit and financial position, have been applied:

Differential reporting

The NZIF is a qualifying entity within the Framework for Differential Reporting because it is not publicly accountable, total revenue does not exceed \$5 million and the total assets do not exceed \$2.5 million and therefore not considered large. The NZIF has, therefore, taken advantage of the differential reporting concessions available to it.

Turnover

Turnover shown in the statement of financial performance comprises the amounts received and receivable by the NZIF for the goods supplied to customers in the ordinary course of business. Turnover is stated exclusive of goods and services tax collected from customers.

Fixed assets

The cost of purchased fixed assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service.

Depreciation

Depreciation is calculated using the rates permitted under the Income Tax Act 1994. The rates are as follows:

Computers	30 to 36% straight line
Phones	48% straight line
Office furnishings	6.6 to 28.8% straight line

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Investments

Investments are stated at the Council's valuation.

Accounts receivable

Accounts receivable are stated at estimated realisable value after providing against debts where collection is doubtful.

Tax

The tax expense recognised for the year is as determined in accordance with the Income Tax Act 1994.

Goods and Services Tax

The financial statements are prepared on a Goods and Services Tax exclusive basis.

Non-current assets

Non-current assets, other than investments, are stated at lesser of cost or the Council's valuation.

(e) Changes in accounting policies

These accounts are the consolidated accounts for NZIF including its local sections. This is a change from previous years.

2. Member subscriptions and fees

Member subscriptions (including GST) for the year ended 31 March 2009 are shown in the table below. The rebate applies to fees paid before the due date:

Member Class	Base fee	Rebate
Student	\$55.80	\$5.80
Graduate & Associate	\$139.50	\$9.50
Full	\$186.00	\$11.00
Retired	\$70.00	\$10.00

Registered Members pay the Full Member fee plus a registration fee of \$112.50. The application fee for registration is \$112.50 as is the fee for the five year review of registration.

Reduced subscriptions apply in the following circumstances:

- Life Members have made a lump sum payment and are not charged an annual subscription. Further applications for Life membership were suspended in changes to the Articles of Association made at the 2008 AGM;
- With the approval of Council, members may place their membership on hold for a financial year. During that time they pay no fees, but receive a reduced service and have no voting, office bearing etc., rights;
- A 100% discount is applied to the subscription for student members who meet specified conditions. Most student members receive this discount;
- Members suffering financial or other hardship may apply to the Council for a reduction in fees.

Membership Subscriptions and related fees comprise:

Subscriptions received during year	\$129,248.80
Registration application fee	\$1,177.79
Plus advances received in 2007/08	\$13,949.50

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Less advances for 2009/10	(\$27,402.95)
Total for 2008/09	<u>\$116,973.14</u>

3. Conference income and expenditure

The 2008 Conference at Palmerston North made a profit of over \$36,300. Detail of income and expenses is shown in the tables below (all excluding GST).

CONFERENCE INCOME

Conference	Number	Unit Price	Total
Two day (Friday and Sunday)			
Member	93	\$450.00	\$41,850.00
Partner	5	\$150.00	\$750.00
Retiree	5	\$270.00	\$1,350.00
Student	15	\$100.00	\$1,500.00
Non Member	2	\$550.00	\$1,100.00
Complimentary	20	\$0.00	\$0.00
One day (Friday or Sunday)			
Member	19	\$300.00	\$5,700.00
Partner	0	\$100.00	\$0.00
Retiree	2	\$180.00	\$360.00
Student	2	\$50.00	\$100.00
Non Member	3	\$367.00	\$1,101.00
Complimentary	26	\$0.00	\$0.00
Subtotal	192		\$53,811.00
Field Trip			
Member	87	\$50.00	\$4,350.00
Partner	8	\$50.00	\$400.00
Retiree	5	\$50.00	\$250.00
Student	17	\$25.00	\$425.00
Non Member	5	\$75.00	\$375.00
Complimentary	18	\$0.00	\$0.00
Subtotal	140		\$5,800.00
Awards Dinner			
Attendee	109	\$75.00	\$8,175.00
Complimentary	5	\$0.00	\$0.00
Subtotal	114		\$8,175.00
Network Drinks	99	\$0.00	\$0.00
AGM	71	\$0.00	\$0.00
Student forum			
Student	16	\$0.00	\$0.00
Member/other	10	\$40.00	\$400.00
Complimentary	6	\$0.00	\$0.00
Subtotal	32		\$400.00
Miscellaneous			
Late Registration fee (two days)	21	\$100.00	\$2,100.00
Late Registration fee (one day)	12	\$50.00	\$600.00
Cancellation fee	1	\$150.00	\$150.00
Accommodation deposits			\$6,044.47
Airport transfers			\$244.42
Sale of books and plants			\$105.00
Adjustments			\$60.61

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Subtotal	34	\$9,304.50
Sponsorship		\$62,122.22
TOTAL INCOME		\$139,612.72

CONFERENCE EXPENSES

Venue		\$2,508.44
Audio visual equipment		\$3,107.50
Catering		
Forum	\$1,351.00	
AGM	\$659.00	
Network function	\$2,537.40	
Friday (including network function)	\$12,116.50	
Sunday	\$4,935.50	
Wine (including for AGM and gifts)	\$2,880.00	
		\$24,479.40
Awards Dinner		
Venue	\$884.45	
Food	\$8,746.67	
Drinks	\$1,779.73	
		\$11,410.85
Field trip		
Bus hire	\$2,169.60	
Lunch	\$4,380.00	
Other	\$1,488.12	
		\$8,037.72
Speaker Costs		
Fees	\$3,000.00	
Accommodation/travel	\$964.75	
		\$3,964.75
Advertising, Sponsors, etc		
Display booths	\$2,955.00	
Signs	\$944.00	
Advertising	\$2,230.10	
		\$6,129.10
Accommodation deposits, transfers		
Accommodation deposits	\$5,955.56	
Transfers	\$270.01	
		\$6,225.57
General		
Conference booklet	\$14,082.17	
Conference bags	\$1,889.85	
Name labels	\$300.00	
Photocopying	\$584.50	
Merchant fees, bank fees	\$2,005.04	
Student poster prize	\$500.00	
Student travel assistance	\$2,000.00	
		\$21,361.56
Conference Management		
Conference on line	\$2,156.00	

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Management fee	\$10,000.00	
Time charges	\$2,750.00	
Travel, accommodation, meals	\$1,183.82	
		\$16,089.82
Total Expenses		\$103,314.71

NET SURPLUS **\$36,298.01**

Some conference income and expenses were expensed in the 2007/08 year. Reconciliation of the full income and expenses with that shown in the financial statements is:

	Total for Conference	Incorporated in 2007/08 accounts	Incorporated in 2008/09 accounts
Income	\$139,612.72	\$17,686.27	\$121,926.45
Expenses	\$103,314.71	\$7,651.72	\$95,662.99
Surplus	\$36,298.01	\$10,034.55	\$26,263.46

4. Sponsorship and donations

Donations shown were a contribution of \$1,000 towards the 2008 student scholarships. Conference sponsorship of \$62,122 is included under conference income (see note 3).

5. Advertising

Advertising revenue arises from the sale of advertising space in the quarterly Journal and the weekly Newsletter. Advertisements are sourced by the publishers who are paid a commission:

Newsletter	\$4,025.00
Journal	\$4,416.80
Total	\$8,441.80

6. Publications

NZIF publications include:

- NZ Journal of Forestry. Four issues (Volume 53 numbers 1-4) were produced during the year. Each financial member receives a free copy of the Journal and sales are made to libraries and individuals around the world. The Journal is also available through the NZIF web site, but access to the most recent three years of issues is restricted to members and subscribers;
- NZIF Newsletter. Produced weekly and distributed electronically to all members with email addresses;
- Forestry Handbook;
- Forest Valuation Standards;
- MDF book;
- Professional Handbook. Only available to members;
- NZIF web site (www.nzif.org.nz). This is managed for NZIF by a contract web master.

NZIF members can also subscribe to Southern Forests through a reciprocal arrangement with the Southern African Institute of Forestry.

The operating deficit on publications is met from members' subscriptions.

Stocks of publications held by NZIF are valued at \$37,326.81 (2008: \$38,570.25).

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Revenue and expenses associated with production and sale of publications other than the Journal of Forestry (including the NZIF Newsletter, web site) are in the table below.

	2009	2008
Journal of Forestry		
Revenue		
Advertising	4,416.80	1,348.44
Non member subscriptions	20,064.20	9,764.15
- less advance subscriptions	(9,070.34)	
Sale of Southern Africa Forestry Journal	106.67	0.00
Journal reprints, back copies, Copyright licensing	5,746.25	467.97
Total Revenue	21,263.58	11,580.56
Expenses		
Advertising Commission	260.00	0.00
Editor's honorarium	7,500.00	10,000.00
Postage	6,303.19	5,448.22
Printing	30,000.00	30,000.00
Reprints	0.00	0.00
Journal on line	0.00	0.00
Microfiche	162.70	120.70
Total expenses	44,225.89	45,568.92
Journal Operating Surplus/(Deficit)	(22,962.31)	(33,988.36)
Other		
Revenue		
Newsletter advertising	4,025.00	6,521.15
Valuation standards	101.33	1,073.03
Forestry Handbook (4th edition)	1,096.32	
Forestry Handbook (1995 edition)	96.00	
Leading Edge (MDF book)	51.11	
Total Revenue	5,369.76	7,594.18
Expenses		
Newsletter advertising commission		
Newsletter production	11,550.00	9,643.15
Website maintenance	2,612.50	2,000.00
Cost of sales	1,243.43	
Other	145.50	247.48
Total Expenses	15,551.43	11,890.63
Other Publications Operating Surplus/(Deficit)	(10,181.67)	(4,296.45)
All Publications Operating Surplus/(Deficit)	(33,143.98)	(38,284.81)

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

7. Bushfire Appeal

The sum raised for this appeal stood at \$2,027.86 at 31 March 2009. The full amount is to be transferred to the Institute of Foresters of Australia.

8. Interest

Interest earned on the section accounts is included in the balances that appear on the statement of financial performance. Interest earned on other accounts is apportioned between the relevant items.

9. Administration and Council expenses

These costs include subscriptions to organisation that NZIF is a member of, communications, general expenses, insurance, postage printing and stationery and public relations.

As the NZIF does not have any paid staff it contracts the bulk of its administration to Strategic Research Services of Christchurch, which provides secretariat services.

Bank charges largely arise from merchant fees on credit card transactions, as members pay their subscriptions.

Council expenses are largely travel to Council Meetings.

10. Honoraria, Meeting Fees and Expenses

The NZIF Council has approved the following maximum amounts that may be claimed by NZIF officers, council and Registration Board members and other members as honoraria, meeting fees and for preparation of submissions. Officers and members are also reimbursed for the actual costs incurred on NZIF business, if claimed. All amounts exclude GST (if any).

Secretary	\$6,000/year honorarium
Treasurer	\$2,000/year honorarium
Editor, Journal of Forestry	\$10,000/year honorarium
Registrar	\$4,000/year honorarium
Board attendance fees	
• Chair	\$550/day plus GST if any
• Member	\$350/day plus GST if any
Periodic review of registration	\$50/review plus GST if any
Contributors to submissions	\$200/day plus GST if any

Actual payments made to Council and Registration Board members during the year to 31 March 2009 are shown below. The amounts for registration Board members include attendance fees, and in the case of the Registrar, includes the honorarium:

Name	Position (Dates in office shown where not for full year)	Reimbursed Expenses	Honoraria
Peter Berg	Member, Registration Board	4,021.78	
Hugh Bigsby	Councillor to 15 May 2009 then Vice President	3,301.16	
Peter Brown	Councillor and Registration Board Chair to 15 May 08	1,637.33	
Peter Gorman	Member, Registration Board	595.00	
Chris Goulding	Councillor from 15 May 08	830.23	
Sally Haddon	Co-opted Councillor to 31 Dec 08	612.00	
Don Hammond	Member, Registration Board	2,183.47	
Bert Hughes	Councillor from 15 May 08	672.72	
Piers Maclaren	Journal Editor from 11 Feb 09		2,500.00

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Mike Marren	Registrar from 23 June 2008	1,919.06	
Euan Mason	Councillor from 15 May 08, Journal Editor to 11 Feb 09	2,031.28	5,000.00
Andrew McEwen	Vice President to 15 May 08, President from 15 May 08	3,337.85	
Angus McPherson	Councillor to 15 May 08	377.24	
Howard Moore	Treasurer	1,438.22	2,000.00
Ron O'Reilly	Secretary to 15 May 08, Registrar to 23 June 2008	1,499.89	2,650.00
Ian Page	Member, Registration Board	3,372.01	
Murray Parrish	Councillor	2,176.33	
John Schrider	Councillor, Registration Board Chair from 15 May 2008	1,292.44	
Alex Sutherland	Member, Registration Board	1,686.58	
Geoff Thorp	Councillor	1,279.02	
Totals		34,263.61	12,150.00

11 Local Section Accounts

Local section accounts have been progressively consolidated into the NZIF accounts in the years ended 31 March 2008 and 31 March 2009. This reflects changes to the Articles of Association at the 2006 AGM, whereby instead of local sections opening their own bank accounts, they are now required to have bank accounts that are sub accounts of the parent body's account. The Council delegates routine operation of each section's account to the approved signatories from the local section. Details of income and expenditure for each section are not made available to the Treasurer. Consequently the consolidated financial reports have treated deposits into section bank accounts as revenue and withdrawals as expenditure.

Deposits also include an initial deposit of accumulated section funds as former section accounts were closed and funds transferred to the new accounts. This has been separately identified under revenue as "incorporation of section accounts". The impact is a one-off revenue amount (of \$15,910) in the consolidated accounts for this year that will not be repeated in subsequent years.

Local sections may request payment to their accounts of a capitation fee. For the 2008/09 year, Council approved a capitation fee of \$5/financial member as at 30 September. Not all sections requested payment in the 2008/09 year. Capitation amounts are eliminated on consolidation of the full NZIF accounts

Details of local section accounts are set out in the table below. The overseas section (not shown in the table) has no funds or account.

NZIF LOCAL SECTION ACCOUNTS

	Northland	Auckland	CNI	Gisborne	Hawkes Bay	SNI	Nelson/ Marlborough	Westland	Canterbury	Otago/ Southland	Totals
Opening Balance at 1 April 2007											981.90
Revenue											
Capitation funds											0.00
Deposits											921.84
Interest											45.77
Total Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	967.61
Expenses											
Withdrawals											0.00
Bank fees											0.00
Total expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Surplus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	967.61
Closing balance at 31 March 2008	10.01	10.01	10.01	22.69	10.01	1037.68	819.07	10.01	10.01	10.01	1,949.51
Year to 31 March 2009											
Revenue											
Capitation funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deposits	1,746.51	3,276.90	746.77	0.05	397.10	174.32	1.95	167.15	2,265.31	7,374.90	16,150.96
Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	1,746.51	3,276.90	746.77	0.05	397.10	174.32	1.95	167.15	2,265.31	7,374.90	16,150.96
Expenses											
Withdrawals	0.00	0.00	0.00	0.00	0.00	0.00	75.00	0.00	143.20	0.00	218.20
Bank fees	2.50	2.75	2.50	2.50	2.50	0.00	2.50	2.50	2.50	3.00	23.25
Total expenses	2.50	2.75	2.50	2.50	2.50	0.00	77.50	2.50	145.70	3.00	241.45
Operating Surplus	1,744.01	3,274.15	744.27	(2.45)	394.60	174.32	(75.55)	164.65	2,119.61	7,371.90	15,909.51
Closing balance at 31 March 2009	1,754.02	3,284.16	754.28	20.24	404.61	1,212.00	743.52	174.66	2,129.62	7,381.91	17,859.02

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

12 Registration Board

A separate record is kept of accumulated surpluses (and deficits) from the operation of the Registration Board. The table below sets out details of revenue and expenditure. Interest is an apportioned amount of total NZIF interest.

	2009	2008
Opening Balance	53,768.03	46,950.76
Revenue		
Registered Members' subscriptions	26,853.21	22,817.79
Application and review fees	1,177.78	1,911.11
Interest	2,348.66	2,188.47
Total Revenue	30,379.65	26,917.37
Expenses		
Honoraria and Meeting fees	6,119.44	6,516.66
Interviews and reviews	1,286.12	1,891.67
Travel	7,933.98	8,387.21
Other administration	2,713.90	2,666.67
Legal and other expenses	2,952.73	637.89
Total expenses	21,006.17	20,100.10
Operating Surplus	9,373.48	6,817.27
Closing balance	63,141.51	53,768.03

13 Special Funds

The following special funds are identified in the NZIF accounts:

- Life Members' Account:
Prior to 15 May 2008 a retired member could elect to pay a lump sum endowment subscription. The member was then deemed to be a financial member for the remainder of their life, without payment of further annual subscriptions. The lump sum amounts are required to be invested in perpetuity;
- NZIF Scholarships Account:
The NZIF offers three scholarships annually as follows. The amounts awarded under the scholarships are paid from the Scholarships account.
 - NZIF Undergraduate Award open to undergraduate students at New Zealand universities
 - NZIF Frank Hutchinson Student Award open to post-graduate students at NZ universities
 - NZIF Mary Sutherland Student Award. Open to students at NZ polytechnics
- Kirk Medal:
The Kirk Horn Award is an award for eminence. It is offered every second year and will next be available in 2010. The purpose of the Award is to recognise outstanding contributions in the field of forestry in New Zealand with those eligible being members currently working in, or who have worked in, forestry in New Zealand. Every holder of the Award is given a medal as a permanent form of recognition.

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

- NZIF Forester of the Year:
Open to any nominated NZIF member who has achieved at least Full Member status. Consideration will be given to the nominee's contribution to New Zealand's economic, social and environmental development, the use of innovation and new technologies or the creation of a new product or business of significance to forestry.
- NZIF Chavasse Travel Award:
Open to any NZIF member who has achieved at least Full Member status, interested in travelling overseas or bringing overseas speakers to New Zealand.
- NZIF John Balneaves Travel Award:
Open to any NZIF member active in plantation research, with ten years of professional activity ahead of them.
- Mavis Davidson Bequest.
Arose from a bequest from Member Mavis Davidson, with a request that if possible, the funds be used to further women in forestry.

The status of each fund at 31 March 2009 is shown in the table below.

	Life members	NZIF scholarships	Kirk medal	Forester of the year	Mavis Davidson	Chavasse	Balneaves	Totals
Opening Balance 1 April 2007	\$34,729.08	\$3,266.49	\$5,345.30	\$24,148.21	\$3,799.58	\$60,848.94	\$1,490.15	\$133,627.75
Interest income	\$1,620.77	\$152.45	\$249.47	\$1,126.98	\$177.33	\$2,839.75	\$69.54	\$6,236.29
Gain/(loss) on AMP investment	(\$1.98)	(\$0.19)	(\$0.31)	(\$1.37)	(\$0.22)	(\$3.46)	(\$0.08)	(\$7.61)
Earnings and donations		\$3,320.00		(\$3,320.00)				\$0.00
Awards granted		(\$3,666.67)						(\$3,666.67)
Nett activity	\$1,618.79	(\$194.41)	\$249.16	(\$2,194.39)	\$177.11	\$2,836.29	\$69.46	\$2,562.01
<u>Closing Balance 31 March 2008</u>	\$36,347.87	\$3,072.08	\$5,594.46	\$21,953.82	\$3,976.69	\$63,685.23	\$1,559.61	\$136,189.76
Opening Balance 1 April 2008	\$36,347.87	\$3,072.08	\$5,594.46	\$21,953.82	\$3,976.69	\$63,685.23	\$1,559.61	\$136,189.76
Interest income	\$1,721.82	\$237.87	\$265.01	\$1,039.96	\$188.38	\$3,016.79	\$73.88	\$6,543.71
Gain/(loss) on AMP investment	(\$134.09)	(\$18.52)	(\$20.64)	(\$80.99)	(\$14.67)	(\$234.93)	(\$5.75)	(\$509.59)
Earnings and donations		\$1,000.00						\$1,000.00
Awards granted		(\$2,000.00)			(\$415.00)		(\$3,000.00)	(\$5,415.00)
Nett activity	\$1,587.73	(\$780.65)	\$244.37	\$958.97	(\$241.29)	\$2,781.86	(\$2,931.87)	\$1,619.12
<u>Closing Balance 31 March 2009</u>	\$37,935.60	\$2,291.43	\$5,838.83	\$22,912.79	\$3,735.40	\$66,467.09	(\$1,372.26)	\$137,808.88

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

14. Bank Accounts

NZIF has an account with the BNZ and a number of sub accounts. Movements in these accounts and closing balances for the year are shown in the table below.

NZIF also has an investment in an AMP fund as follows:

Value at 31 March 2007	\$10,082.82
Change in value in 2007/08	(\$10.28)
Value at 31 March 2008	\$10,072.54
Change in value in 2008/09	(\$707.94)
Value at 31 March 2009	\$9,364.60

The loss in value in the 2008/09 year was due to the global financial crisis.

Account	Opening	Deposits	Payments		Closing	Adjustments
			Cheque	Other		
PARENT ACCOUNTS						
00	\$711.01	\$2,226.50	\$0.00	(\$40.00)	\$2,897.51	
02	\$15,377.03	\$3,203.25	\$0.00	\$0.00	\$18,580.28	
25	\$50,393.53	\$232,740.99	(\$182,206.72)	(\$53,316.42)	\$47,611.38	
26	\$0.00	\$200.02		(\$200.02)	\$0.00	
	(\$1,027.67)				(\$1,027.67)	Less SNI section funds held in above
		\$15,209.69			\$15,209.69	Add conference 2008 balance in 015 a/c
		\$180.00			\$180.00	Add council reimbursement from 015 a/c
29	\$0.00	\$1,928.11		(\$0.25)	\$1,927.86	
Sub tot	\$65,453.90	\$255,688.56	(\$182,206.72)	(\$53,556.69)	\$85,379.05	
Term Deposit	\$105,600.96	\$7,370.50			\$112,971.46	
Total Parent accounts	\$171,054.86	\$263,059.06	(\$182,206.72)	(\$53,556.69)	\$198,350.51	

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

	Account	Opening	Deposits	Payments		Closing	Adjustments
				Cheque	Other		
SECTION ACCOUNTS							
Northland	10	\$10.01	\$1,746.51		(\$2.50)	\$1,754.02	
Auckland	11	\$10.01	\$0.02		(\$2.50)	\$7.53	
	31	\$0.00	\$318.98		(\$0.25)	\$318.73	
		\$0.00	\$2,957.90			\$2,957.90	Held by local section
	Sub tot	\$10.01	\$3,276.90	\$0.00	(\$2.75)	\$3,284.16	
CNI	12	\$10.01	\$746.77		(\$2.50)	\$754.28	
Gisborne	13	\$22.69	\$0.05		(\$2.50)	\$20.24	
Hawke's Bay	14	\$10.01	\$397.10		(\$2.50)	\$404.61	
SNI	15	\$10.01	\$116,776.72	(\$101,211.71)	(\$1.00)	\$15,574.02	
		\$1,027.67				\$1,027.67	Plus SNI section funds held in parent accounts
		\$0.00		(\$15,209.69)		(\$15,209.69)	Remove conference 2008 balance
		\$0.00		(\$180.00)		(\$180.00)	Remove council expense reimbursement
	Sub tot	\$1,037.68	\$116,776.72	(\$116,601.40)	(\$1.00)	\$1,212.00	
Nelson Marlborough	16	\$819.07	\$1.95	(\$75.00)	(\$2.50)	\$743.52	
Westland	17	\$10.01	\$167.15		(\$2.50)	\$174.66	
Canterbury	18	\$10.01	\$2,265.31	(\$143.20)	(\$2.50)	\$2,129.62	
Otago Southland	19	\$10.01	\$1,113.32		(\$2.50)	\$1,120.83	
	39	\$0.00	\$6,261.58		(\$0.50)	\$6,261.08	
	Sub tot	\$10.01	\$7,374.90	\$0.00	(\$3.00)	\$7,381.91	
Section totals		\$1,949.51	\$132,753.36	(\$116,819.60)	(\$24.25)	\$17,859.02	
Consolidated Totals		\$173,004.37	\$395,812.42	(\$299,026.32)	(\$53,580.94)	\$216,209.53	

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

15. Tax

As an incorporated society, NZIF is required to declare income earned from non-members and the expenses associated with generating this income and to pay income tax on the balance. There was no tax to pay for the year ended 31 March 2009 (2008: refund of \$204.88).

[Note: since discovered that there was a tax liability of \$1,934.10 for the year ended 31 March 2009. It has not been included in the liabilities in this report and an adjustment will be needed. The payment was made in February 2010.]

16. Unaccounted

The unaccounted income of \$222 in the year to 31 March 2008 and expense of \$1,362.68 in the year to 31 March 2009 may be due to differences in accruals between years, to unidentified amounts as the accounts have been restructured and to historical difference in balance sheet amounts. It is expected that such differences will be resolved in future years

17. Accounts and GST Receivables

At 31 March 2009, NZIF was entitled to a GST refund of \$12,363.90 (although claims had yet to be processed for some of this) and was owed \$20,952.62 in conference 2008 income, a total of \$33,316.52 (2008: \$12,929.77).

Subscriptions owed by members at the end of the financial year have not been recorded because of the difficulty associated with collecting these.

17. Income received in advance

Income received in advance comprises:

Membership subscriptions	\$27,402.95
Journal subscriptions	<u>\$9,070.34</u>
Total	\$36,473.29
Comparison with 2008	\$13,949.50

18. Other Reserves

Members' funds are recognised in four categories – Registration Board Account, Local Section Accounts, Special Purpose Funds and Other Reserves. The change in other reserves each year is the Operating Surplus (or deficit) after deducting movement attributable to the other three categories. For the year to 31 March 2009, this was calculated as:

	2008/09	2007/08
Other Reserves Balance at 1 April	\$7,645.81	(\$4,181.59)
Operating Surplus / (Deficit)	\$58,163.21	\$22,174.29
Less portion attributable to Registration Board (Note 12)	(\$9,373.48)	(\$6,817.27)
Less portion attributable to Local Sections (Note 11)	(\$15,909.51)	(\$967.61)
Less Portion attributable to Special Purpose Funds (Note 13)	(\$1,619.12)	(\$2,562.01)
Balance attributable to other reserves	\$31,261.10	\$11,827.40
Other reserves balance at 31 March	\$38,906.91	\$7,645.81

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

DRAFT FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2010

(See Explanatory Comments above for an explanation of the status of these statements)

TREASURER'S REPORT Year end 31 March 2010

Disclaimer

The attached financial accounts for the NZIF cover the period 1 April 2009 to 31 March 2010. The figures have been prepared from an analysis of banking records. Every attempt has been made to ensure that they portray a true, accurate and sufficient picture of the affairs of the Institute. However I have not had the accounts audited and I take no responsibility for the quality of the information provided to me.

Current financial position

This report should be read in conjunction with the attached accounts. The Institute made a surplus on operations for the year of \$11,837, compared with a budgeted surplus of \$5,350.

While notes to the accounts explain many of the figures, other differences from budget occurred in:

- The surplus appears to be largely due to the successful Nelson Conference.
- The SNI section 015 account still holds some Conference income (\$2,974) pending transfer. Total Section funds are given after this adjustment.
- Stocks of publications were written down by \$20,000 in October to a more realistic value.
- Operating expenditure for the year was substantially lower than budget across a range of costs. The software licence from Cyberglobe for a membership database system, at \$12,950 plus GST, was covered by these savings.
- Registration Board operating costs were substantially lower than expected.

H B Moore
Treasurer.

31 May 2010

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2010

OPERATING INCOME	Y.E. 31 Mar 10	Y.E. 31 Mar 09	NOTE
Advertising revenue	3,878.64	8,441.80	1
Conference income	49,324.56	62,086.35	2
CPD workshops	10,468.77	-	3
Member subscriptions and fees	97,567.64	88,941.86	4
Sale of publications	14,066.25	16,948.06	5
Less publication write down	(20,000.00)		
Interest earned	1,155.93	1,720.23	6
Other income	238.20	450.00	7
	\$ 156,699.99	178,588.30	
OPERATING EXPENDITURE			
Administration	25,580.18	17,615.97	8
Conference expenses	23,836.25	54,346.11	2
Council meetings	8,611.85	14,282.89	9
Council honoraria	8,000.00	4,000.00	9
Publications:			
Journal	46,849.70	44,225.88	10
Newsletter	11,887.50	11,550.00	11
Website and other	3,625.91	2,612.50	12
Secretariat	14,864.03	14,083.09	13
Bank charges	1,607.20	1,875.61	14
	\$ 144,862.62	164,592.05	
Operating profit (loss)	11,837.36	13,996.25	
Add:			
Interest on Trust funds	4,544.36	8,382.79	6
Donations to Trust funds	-	1,000.00	15
Registration Board surplus	(6,465.71)	7,024.82	16
Section, special account income	(7,238.29)	34,148.90	17
Subtract:			
Awards (granted)	(7,800.00)	(5,415.00)	15
Tax (paid)	(1,934.10)		18
Unaccounted	(673.14)	(1,291.19)	19
Change in financial position	(7,729.52)	57,846.56	

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

		Y.E. 31 Mar 10	Y.E. 31 Mar 09	NOTE
CURRENT ASSETS				
Bank accounts	\$	248,067.54	216,209.53	17
AMP investment		9,364.60	9,364.60	20
Debtors		15,501.09	30,944.87	21
Cash		-	72.75	
Other				
		<u>272,933.23</u>	<u>256,591.75</u>	
OTHER ASSETS				
Office equipment		135.00		
Stocks of publications		13,758.57	37,326.81	22
		<u>286,826.80</u>	<u>293,918.56</u>	
TOTAL ASSETS				
CURRENT LIABILITIES				
Creditors		7,454.67	-	23
Advance subscriptions		29,656.21	36,473.12	23
		<u>37,110.88</u>	<u>36,473.12</u>	
TOTAL LIABILITIES				
		<u>37,110.88</u>	<u>36,473.12</u>	
NETT ASSETS				
	\$	249,715.92	257,445.44	
Represented by:				
Section accounts		26,910.61	32,221.04	17
Registration Board account		58,089.99	63,141.51	16
Special purpose account		-	1,927.86	24
Trust funds		135,088.54	139,758.36	15
Operating reserves		29,626.78	20,396.67	25
	\$	<u>249,715.92</u>	<u>257,445.44</u>	

STATEMENT OF MOVEMENTS IN MEMBERS' FUNDS

For the year ended 31 March 2010

		Y.E. 31 Mar 10	Y.E. 31 Mar 09
Opening balance	\$	257,445.44	199,598.88
Change in financial position		(7,729.52)	57,846.56
Closing balance	\$	249,715.92	257,445.45

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 March 2010

(a) Entity reporting

These financial statements are for the New Zealand Institute of Forestry Te Putahi Ngaherehere o Aotearoa Incorporated (“NZIF”), a society incorporated under the Incorporated Societies Act 1908 on the 19th May 1982 (Incorporated Society No. 216334).

(b) Statutory base

The financial statements have been prepared in accordance with section 23(1) of the Incorporated Societies Act 1908.

(c) Measurement base

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments. Reliance is placed on the assumption that the NZIF is a going concern. Accrual accounting is used to reflect the effects of transactions and events when they occur.

(d) Accounting policies

The following accounting policies, which materially affect the measurement of profit and financial position, have been applied:

Differential reporting

The Institute is equivalent to a qualifying company within the Framework for Differential Reporting because it is not publicly accountable, total revenue does not exceed \$5 million and total assets do not exceed \$2.5 million. The NZIF has taken advantage of the differential reporting concessions available.

Turnover

Turnover shown in the statement of financial performance comprises the amounts received and receivable by the NZIF for the goods and services supplied to customers in the ordinary course of business. Turnover is stated exclusive of GST.

Fixed assets

The cost of purchased fixed assets is the value of the consideration given to acquire the assets, and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service.

Depreciation

Depreciation is calculated using the rates permitted under the Income Tax Act 1994. The rates are as follows:

Buildings	3% straight line
Plumbing & electrical	6.6% straight line

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Heating system	15% straight line
Computers	30 to 36% straight line
Phones	48% straight line
Office furnishings	6.6 to 28.8% straight line

Investments

Investments are stated at the Council's valuation.

Accounts receivable

Accounts receivable are stated at estimated realisable value after providing against debts where collection is doubtful.

Tax

The tax expense recognised for the year is as determined in accordance with the Income Tax Act 1994.

Goods and Services Tax

The financial statements are prepared on a Goods and Services Tax exclusive basis.

Non-current assets

Non-current assets, other than investments, are stated at lesser of cost or the Council's valuation.

(e) Changes in accounting policies

There have been no changes in accounting policies during the year under review.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. Advertising revenue arises from the sale of advertising space in the quarterly Journal and the weekly Newsletter. Advertisements are sourced by the publishers who are paid a commission:

Journal advertising revenue to NZIF (Nett 80%)	\$303.64
Newsletter advertising revenue to NZIF (Nett 50%)	\$3,575.00

2. Conference income and expenses arise from the 2009 Nelson Conference excluding the ETS workshop.

3.

ETS workshop income	\$16,382.02
ETS workshop expenditure	\$5,913.25

4. Annual subscriptions across all membership classes this year were \$97,567.64. Fees were last set by members at the 2007 AGM as:

Full member	\$186.00 including GST
Associate / Graduate Member	\$139.50 including GST
Student member	\$55.80 including GST
Retired member	\$70.00 including GST.

5. The Institute sells copies of the Journal to libraries and individuals around the world and from time to time, other publications. Sales of the Journal to non-members were \$14,066.25. Other publication sales of \$3,568.24 were treated as a reduction in inventory, which was taken on top of the write down of inventory value of \$20,000.

6. Interest earned on the section accounts is included in the balances that appear on the statement of financial position. Interest earned on the trading and investment accounts managed by the NZIF is apportioned between them: 50% of that earned on the Institute's trading accounts (025 and 02 accounts) is allocated to operating income, and the other 50% is allocated to Trust Funds along with the interest earned on the term deposit.

7. Other income is sundry income for the year.

8. Administration costs include annual subscriptions, capitation, communications, Fellows' committee expenses, general expenses, insurance, postage printing and stationery, public relations and submissions. The key items were:

Database software license	\$13,850.00
Accounting and legal	\$3,500.00
Insurance	\$2,655.00
Postage, printing, telephones, stationery	\$2,301.15
Section payments	\$1,587.97
Other	\$1,686.06

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

9. Council meeting expenses are travel only, \$8,611.85. Council has approved the following maximum amounts that may be claimed by NZIF officers, council and Registration Board members and other members as honoraria, meeting fees and for preparation of submissions. Officers and members are also reimbursed for the actual costs incurred on NZIF business, if claimed. All amounts exclude GST (if any).

Secretary	\$6,000 pa honorarium
Treasurer	\$2,000 pa honorarium
Editor, Journal of Forestry	\$10,000 pa honorarium
Registrar	\$4,000 pa honorarium
Board attendance fees	
• Chair	\$550/day
• Member	\$350/day
Periodic review of registration	\$50/review
Contributors to submissions	\$200/day

Actual payments made to Council members and Registration Board members during the year are set out below.

PAYMENTS TO OFFICE HOLDERS				
	Position	\$ Costs excl GST:	Expenses	Honoraria
Andrew McEwen	President		1,693.68	
James Barton	Secretary		1,340.79	3,000.00
Hugh Bigsby	Vice President		933.32	
Howard Moore	Treasurer		198.67	1,000.00
Piers Maclaren	Journal Editor		163.56	5,000.00
Euan Mason	Councillor, Journal Editor to 11 Feb 09		1,407.80	2,500.00
Murray Parrish	Councillor		963.91	
Chris Goulding	Councillor		830.84	
Bert Hughes	Councillor		805.78	
Geoff Thorp	Councillor		567.11	
John Schrider	Councillor, Registration Board Chair from		1,286.67	
Mike Marren	Registrar		923.63	4,000.00
Alex Sutherland	Member, Registration Board		1,564.27	
Don Hammond	Member, Registration Board		1,107.33	
Peter Berg	Member, Registration Board		225.00	
Ian Page	Member, Registration Board		225.00	
Note: honoraria yet to be claimed by				
James Barton	Secretary			3,000.00
Howard Moore	Treasurer			1,000.00

10. Revenue and expenses associated with production of the NZ Journal of Forestry are given below. Each financial member receives a free copy of the journal as the costs are met from members' subscriptions:

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

		Y.E. 31 Mar 10	Y.E. 31 Mar 09
REVENUE	\$		
Advertising		303.64	4,416.80
Members' Journal contribution		32,197.32	15,120.12
Non-members' Journal subscriptions		14,066.25	10,993.81
South African Journal		-	106.67
Journal reprints, back copies		-	5,746.25
		46,567.21	36,383.65
EXPENDITURE	\$		
Advertising commission		-	260.00
Editor's honorarium		10,000.00	7,500.00
Journal postage		6,681.70	6,303.18
Journal printing		30,000.00	30,000.00
Journal reprints		-	-
Journal on-line project		-	-
Microfiche		168.00	162.70
Total expenditure		46,849.70	44,225.88
Journal trading surplus (deficit)	\$	(282.49)	(7,842.23)

11. The weekly newsletter is published as a service to members and the costs are covered by members' subscriptions. Newsletter advertising revenue is disclosed in Note 1. Newsletter publication costs were:
- | | |
|--------------------------------------|--------------|
| Issue expenses at \$1,250 per month | \$15,000.00 |
| Other expenses | \$462.50 |
| Less retention of 50% of advertising | (\$3,575.00) |
12. The NZIF website is also managed as a service to members using an outside contractor. Website costs include the cost of migrating the information from the original site hosted by Canterbury University to the new system managed by Cyberglobe under the software licence for the membership database. No costs were incurred for other publications this year.
13. As the NZIF does not have any paid staff it contracts the bulk of its administration. Secretariat charges include payments to Strategic Research Services in Christchurch to 31 March 2010, overlapping for one month with the new charges from the WPA for services at the Wellington office.
14. Bank charges include cheque fees, account fees and merchant fees for credit card receipts as members pay their subscriptions.
15. The following funds are identified in the NZIF accounts and separately administered:
- Life Members' Account
Prior to 15 May 2008 a retired member could elect to pay a lump sum endowment subscription. The member was then deemed to be a financial member for the

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

remainder of his or her life, without payment of further annual subscriptions. The lump sum amounts are must be invested in perpetuity.

- **NZIF Scholarships Account**
The NZIF offers three scholarships annually from the Scholarships account:
 - NZIF Undergraduate Award open to undergraduate students at New Zealand universities;
 - NZIF Frank Hutchinson Student Award open to post-graduate students at NZ universities;
 - NZIF Mary Sutherland Student Award open to students at NZ polytechnics.

- **Kirk Medal.**
The Kirk Horn Award is an award for eminence. It is offered every second year. The purpose of the Award is to recognise outstanding contributions in the field of forestry in New Zealand with those eligible being members currently working in, or who have worked in, forestry in New Zealand. Every holder of the Award is given a medal as a permanent form of recognition.

- **NZIF Forester of the Year.**
The Forester of the Year Award may be granted to any full member in recognition of the nominee's contribution to New Zealand's economic, social and environmental development, the use of innovation and new technologies or the creation of a new product or business of significance to forestry.

- **NZIF Chavasse Travel Award.**
The Chavasse Travel Award was established to assist any member who wishes to travel overseas for research purposes, or to bring overseas speakers to New Zealand.

- **Mavis Davidson Bequest.**
This is a bequest from member Mrs. Mavis Davidson, who requested that if possible, the funds be used to further the roles of women in forestry.

No donations were received for the Trust Funds this year. The status of each fund is:

Trusts and Special Funds Account		For the 12 months ended 31 March 2010								
	\$	Total	Consultants fund	Life members	NZIF scholarships	Kirk medal	Forester of the year	Mavis Davidson	Chavasse	Balneaves
Opening Balance 1 April 2009	\$	202,899.88	63,141.51	37,935.60	4,240.93	5,838.83	22,912.78	3,735.39	66,467.09	(1,372.27)
<i>Allocation of interest</i>		<i>100.00%</i>	<i>31.1%</i>	<i>18.7%</i>	<i>2.1%</i>	<i>2.9%</i>	<i>11.3%</i>	<i>1.8%</i>	<i>32.8%</i>	<i>-0.7%</i>
Interest income		4,544.36	1,414.19	849.65	94.98	130.77	513.18	83.66	1,488.67	(30.73)
Earnings and donations		(6,465.71)	(6,465.71)		3,000.00		(4,403.00)			1,403.00
Awards granted		(7,800.00)			(3,000.00)			(1,300.00)	(3,500.00)	
Nett activity		(9,721.35)	(5,051.52)	849.65	94.98	130.77	(3,889.82)	(1,216.34)	(2,011.33)	1,372.27
Closing Balance 12 mths to 31 Mar 2010		\$ 193,178.53	\$ 58,089.99	\$ 38,785.25	\$ 4,335.91	\$ 5,969.60	\$ 19,022.96	\$ 2,519.06	\$ 64,455.76	\$ -

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

16. A separate record is kept of accumulated surpluses (and deficits) from the operation of the Registration Board. The table below sets out details of revenue and expenditure. Interest is an apportioned amount of total NZIF interest. The Board made a modest loss following its adoption of lower charges for member registration.

	Y.E. 31 Mar 10	Y.E. 31 Mar 09
Opening Board funds	\$ 63,141.51	53,768.03
Revenue		
Registered members' subscription		
- Existing consultants	6,039.00	26,013.21
- New applicant's fee	2,465.02	1,177.78
- Non-consultants	-	840.00
Total revenue	8,504.02	28,030.99
Expenditure		
Administration	2,199.99	2,713.90
Attendance	3,826.36	6,119.44
Interviews and reviews	1,725.00	1,286.12
Board member travel	3,045.94	7,933.98
Legal and other expenses	172.44	2,952.73
Directory development/ maintenance	4,000.00	-
Total expenditure	14,969.73	21,006.17
Registration Board surplus (deficit)	(6,465.71)	7,024.82
Interest earned	1,414.19	2,348.66
Closing Board funds	58,089.99	63,141.51

17. Balances held in local section accounts have been acknowledged in the NZIF Statement of Financial Position. The Council delegates the control of each section's account to the approved signatories from the local section. Details of income and expenditure for each section are not made available to the Treasurer. Consequently the section accounts simply appear on the parent balance sheet as an asset with a matching liability.

Local sections may request payment to their accounts of a capitation fee. For the 2009/10 year, Council approved a capitation fee of \$5/financial member as at 30 September. Not all sections requested payment.

The change in Section accounts over the year largely reflects the transfer to Head Office of funds held on its behalf in the SNI Section account. Section and Head Office bank balances at year end 31 March 2010 stood as follows:

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

BNZ account	Name	\$ Balance at 31.3.10
10	Northland	1,758.40
11	Auckland	(77.77)
12	Rotorua / Tokoroa	756.16
13	Gisborne	20.28
14	Hawke's Bay	428.97
15	Southern North Island	9,648.24
16	Nelson / Marlborough	745.38
17	Westland	175.10
18	Canterbury	2,254.47
19	Otago / Southland	2,069.53
31	Auckland savings	2,670.67
39	Otago / Southland savings	6,461.18
		26,910.61
00	Head office	15,423.61
02	Head office	35,822.32
25	Head office	53,551.10
Term deposit	Head office	116,359.90
		248,067.54

18. As an incorporated society the NZIF is required to declare income earned from non-members, and the expenses associated with generating this income, and pay income tax on the balance. Terminal tax of \$1,934.10 was paid on earnings for the 2008-9 financial year.
19. Unaccounted sums relate to balancing issues which are believed to arise from inaccurate accruals at year end.
20. The NZIF has a small investment in a fund managed by AMP. No update is available on the value of the investment.
21. Debtors at year end consisted of outstanding payments to Head Office from the 015 account, and the GST reconciliation. On an annual basis GST cancels as tax collected with membership subscriptions is paid out with operating expenditure. Since we cannot be certain of collecting due and unpaid member subscriptions these are normally excluded.
22. The secretariat holds stocks of publications prepared for members but unsold, in particular the Professional Handbook and the Forestry Handbook 4th Edition. Stocks are included at realisable value. Movements over the year were:
- | | |
|-----------------|---------------|
| Opening stocks | \$37,326.81 |
| Less write down | (\$20,000.00) |
| Less sales | (\$3,568.24) |
| Closing stocks | \$13,758.57 |
23. There were few outstanding creditors at 31 March 2009. Advance subscriptions related to membership fees, Registration Board fees and Journal payments:

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.

Unpresented cheques	\$954.67
Unclaimed honoraria	\$6,500.00
Member advances	\$19,114.76
Registered member advances	\$2,500.00
Journal advances	\$8,041.46

24. No funds were held in special purpose accounts at year end.

25. The Council manages the Institute's funds in trading accounts and investment accounts. The operating reserves show the balance of the trading accounts. This rises if there is a surplus from membership subscriptions, conference income and the sale of publications, and falls if there is a deficit. Investment accounts rise with donations, bequests and interest earned, and fall with Awards granted. Operating reserves represent the 'accumulated tax paid profit' or retained earnings of the Institute, which are available for discretionary expenditure as distinct from the Trust Funds, which are closed funds dedicated to Awards.

H B Moore
Treasurer
31 May 2010.

These Financial Statements are unaudited. The Statement of Accounting Policies and accompanying notes form part of the Financial Statements.