



New Zealand Institute of Forestry  
Te Pūtahi Ngāherehere o Aotearoa Incorporated

# Annual Report



2015

## HONOURING OUR MEMBERS

### Deaths

It was with sadness that the Institute noted the deaths of seven members during the year: four retired members, two registered members and one ordinary member.

- Jon Dey
- Udo Benecke
- Ivan Frost
- Brian Moberly

- Ian Nicholas
- Lewis Skudder
- Alastair Deakin.

### NZIF Fellows

The following fellows were announced at the 2014 AGM in Napier:

- Ket Bradshaw
- Tim Payn.

### Thomas Kirk Award

The Thomas Kirk Award, which is made every second year, was awarded to Dr Andrew McEwen for eminence and recognises his outstanding contributions in the field of forestry.

Dr McEwen started as a forest trainee in 1962. From 1971 to 1982 he worked at the Forest Research Institute in Rotorua, during which time he undertook his Ph.D. In 1982, he moved to Wellington and from 1987 to 1999 worked for Crown Forestry Management Ltd.

At the end of 1999 he started his own business. Over the last decade Andrew has volunteered countless hours to the industry in his role as President of the Institute (over the last six years) and Vice President (four years).



### Forester of the Year

Forester of the Year for 2014 was awarded to Paul Nicholls for outstanding service to the forestry industry. The award is one of the highest accolades in the industry recognising contribution, leadership, excellence and integrity.

During his more than 30 years in forestry across Australia and New Zealand, Paul has generously given his time and expertise to benefit the industry. These organisations and projects include governance roles with NZ Wood, Wood Council of NZ, The Forest Growers Levy Trust Board, Independent Safety Review Panel and he is currently President of the Forest Owners Association.



## PRESIDENT'S REPORT

It is with much pleasure I present the annual report for the year ending 31 March 2015 of the New Zealand Institute of Forestry.

It has been a year of change within council, the registration board, local section committees and the Journal committee. Nevertheless the Institute has continued to thrive and has set in motion a number of changes which should help grow membership and bring forestry to the forefront of New Zealand Inc.

Your council have all had individual areas of responsibility and they have all contributed to this report. Council has meet every second month with discussions ranging from budget to advocacy and membership.

As at 31 March 2015 membership stands at 803. This is a reduction from the prior year of 5 percent, driven mainly by a sharp decrease in student members.

The council undertook a survey of members during the year to try to understand what members want from NZIF and which direction we should be taking. We had an excellent level of responses showing members are very interested in the Institute and want it to thrive.

Local sections have been identified by members and council and are a key part of NZIF. They provide an opportunity to network and gain CPD. The council appointed a local section co-ordinator to provide assistance to the local sections, cross-pollinate ideas, recommend relevant speakers and to resurrect local sections which have become moribund. Sadly we have two sections which failed to hold a meeting during the year and the council and the co-ordinator will be working on getting these sections meeting during 2015.

Your council made a total of eight submissions across a variety of topics including freshwater, the Australian Certification Scheme and the Independent Forest Safety review. As always, all submissions are placed on the NZIF website.

Four issues of the Journal were delivered to members. The council has been receiving very positive feedback on the Journal and I would like to thank editor Chris Goulding and his team for their excellent work. I personally believe the Journal is a very positive "face" of the Institute.

The registration board chair changed during the year and I would like to thank John Schrider for his excellent service and work as past chair of the board. The current chair is Simon Rapley. I would also like to acknowledge Geoff Cameron and David Bunting who join the registration board and who will both provide value to the board.

The annual conference held in the stunning location of Hawke's Bay was very successful. The conference

theme of "Tackling Challenges and Delivering Value" seemed to ring true with members as we had a very high turnout of attendees. I would like to thank Bob Pocknell and his team for organising a professional and fantastically run conference.

NZIF finances are in good financial shape showing a good return from the conference and additional revenue from newsletter advertising. The balance sheet equity as at 31 March 2015 stood at \$497,000, compared to \$407,000 in the previous year.

Operating expenses were slightly up on the previous year with the largest area of change being membership expenses.

The Institute's operating surplus for the year was \$111,000, ensuring the council is in a good financial position entering into a ANZIF conference year (where the conference profit goes to the host country) and a year where there will be additional expenses with the website upgrade and the forest policy project.

I would like to take this opportunity to thank the members of the council, the registration board, the fellows' committee, the forest policy project working group, the valuation working party, the local section committees and special interest group convenors, the publications committee and the administrator Jay Matthes and assistant administrator Virginia Kennard for their work and all their efforts during the year. The Institute is well served by a remarkable and diverse group of people and we are the stronger for it.

Finally, I would like to thank all members for their support of the Institute. We have a diverse membership which provides the Institute with a large and valuable resource.



James Treadwell  
President

## TREASURER’S REPORT

The Statement of Financial Performance shows the New Zealand Institute of Forestry to be in a sound position financially.

Revenue improved due to the increase in subscription rates approved by the previous council, a very good return from the annual conference in Hawke’s Bay, and increased revenue from the newsletter. Council costs, membership costs and finance costs (which included a review of the accounts) were up, but producing the newsletter in-house has decreased. The overall result was an increased surplus of around \$40,000.

This puts the NZIF in a good position to cope with lower revenue in the 2015/16 year (because the conference was held jointly with the Institute of Forestry Australia this year, in Victoria, there is no conference revenue expected in the 2015/16 year). The Institute is also in a good position to fund additional projects of benefit to members. The council is currently discussing protocols for project appraisal, approval and governance prior to approval of significant funds on new projects.

The largest contributors to revenue for the NZIF are subscriptions and the annual conference, whereas the largest cost items are administration, conference, Journal and council costs.

The balance sheet also shows the NZIF to be in a very sound position. The amount of money held in current accounts has been minimised to increase interest income from term deposits.

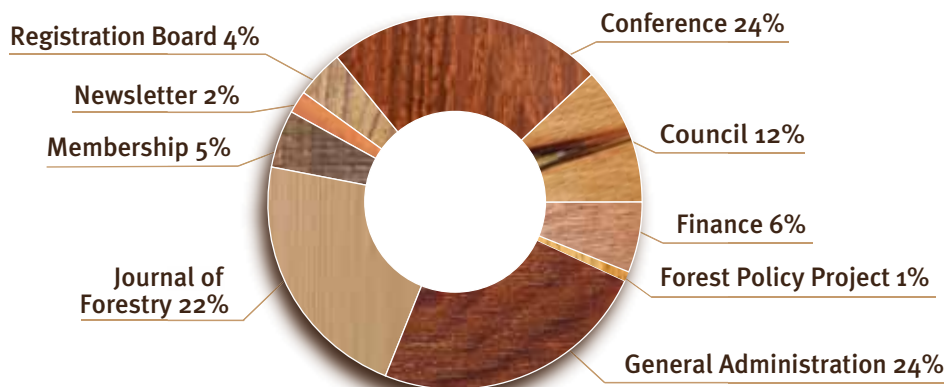
There have been some changes made to streamline approval procedures for council expenses, as well as additional checks to provide the council members with full information prior to approval of invoices and authorisation of payments. Additional reporting is also provided to assist council in their governance role at the two-monthly meetings. The council has requested a full audit of the NZIF accounts for the year 2014/15, as discussed at the 2014 AGM.

David Evison  
Treasurer

REVENUE 2015



EXPENDITURE 2015



## MEMBERSHIP

Total membership as at 31 March 2015 was 803. This was a decrease of 41 (5.1%) from the previous year and 78 less than the record of 880 at 31 March 2012. Membership numbers and trends for the last 5 years are shown below.

The largest contributor to this year's decrease was a drop in student membership. This was as a result of asking students in their second or subsequent years with NZIF to start paying a small membership fee. While the drop in student membership is disappointing, it is reassuring to see graduate membership remaining stable.

Increasing membership has been an objective of every NZIF council. Increasing membership is a sign of a vibrant and growing organisation. More people wanting to join is a measure that they like what we are doing.

It is the view of council that simply aiming to increase membership is a bit of a misguided measure. These are challenging times for any voluntary organisation to grow membership. We are all busier professionally and personally and are more transient across industries than we have been in the past.

This council believes focus needs to be on improving the quality of membership for our existing members. To better understand how we can do this, at the end of 2014 we conducted our first membership survey to find what members want from NZIF. We were very pleased with the level and quality of responses received: 243 of you took the time to complete the survey.

The survey results captured a representative cross-section of NZIF members, both in length of membership and membership class. This spread gives us confidence in the results.

As a council our view is active local sections are fundamental to offering benefits to members. The survey posed a number of questions about local sections. We asked how many of you regularly attended local section meetings. Attendance at local section meetings was very evenly split between people who always and sometimes attended and those who hardly ever or never attended. Having half of our membership not attending local section meetings is disappointing but this gives us an insight into the importance of delivering membership value through other channels. For many respondents they were just too far away from an active local section.

We then delved into the reasons why some people attend meetings and others don't. Those of you who sometimes or hardly ever attend mostly made the decision based on the educational aspect of the meeting. Those members who almost always attend,



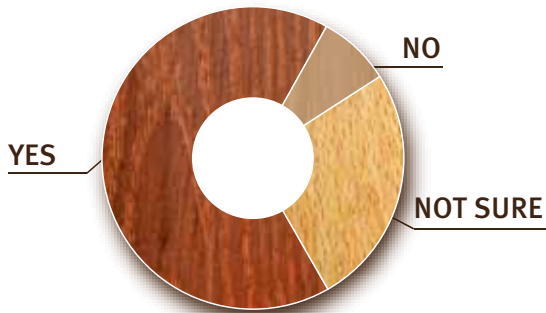
rate the social aspect as the most important reason for attending. We asked people what sometimes made meetings not as good as they had hoped and the main reason was the topics covered were not interesting.

Offering quality educational content is key to meeting our goal of increasing the number of people regularly attending local section meetings. To support this point, 74% of respondents would be interested in a local section field trip and changing the format of how we deliver content will be well-received. Members also appear willing to be more involved with their local sections, while only 28% of respondents have been involved in a local section committee, 65% stated that they would like to.

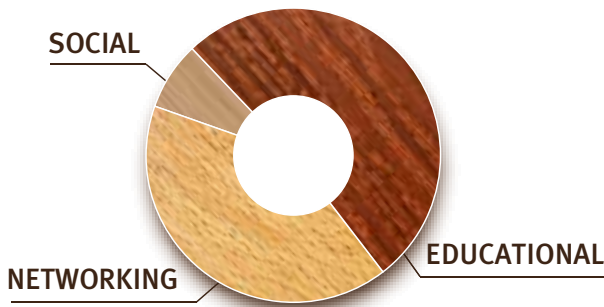
Our next area of questioning was if NZIF membership added value to our profession. 67% of respondents believed NZIF membership did add value; 7% said no and 26% were not sure. Our goal is to convince those unsure people NZIF membership is adding value to their profession.

We are interested in growing the registration scheme so we asked respondents what advantages they saw in registration. This question had 148 responses, out of the total 243 responses. Of the responses I interpreted 16 as negative. The extent of the negative responses was "unsure" and "not much" (i.e. they were mildly negative). Of the 52 registered members who responded, 36 were positive, 3 negative and 13 provided no response. A 60% response rate suggests there is some apathy to this membership class. The overriding perception is unless you are consulting there is little value in registration.

**DOES NZIF MEMBERSHIP ADD VALUE TO YOUR PROFESSION?**



**WHAT IS YOUR PRIMARY REASON FOR ATTENDING MEETINGS?**



The final two questions we posed were the ones this council is most interested in, “What do you see as the key roles of NZIF”? The results are best shown in the table below. Respondents were able to check as many of the five categories as they liked. Some people only chose one category, shown in the “As only response” column and some chose multiple categories shown in “Included with others”.

These results show members believe advocacy is our main role. Education and networking are a close second. Our last question was “What can NZIF do to serve its members?” The question had 121 responses. As a qualitative answer there was a wide range of responses. 19 were essentially “keep up the good work”. The predominant message was members wanted NZIF to take more of a leadership role in the sector and more advocacy.

Having such a good insight to our membership circles us back to how do we improve the quality of membership? Advocacy has come through strongly and I am sure you have noted a ‘challenging’ style is a feature of James’ presidency. The work that has gone into the forest policy project is another example of this council taking the leadership and advocacy role seriously.

Networking and education are clearly important to members and this term focus is on supporting local sections and getting those regions where the local sections have been hibernating up and running again. We see local sections as fundamental to delivering much of what members want i.e. networking, educational and social interaction. We are also mindful the world is changing and we need to develop other platforms for doing this and we have started this process using LinkedIn and Facebook.

Kent Chalmers, Vice President  
Patrick Milne, Membership Co-ordinator

**WHAT DO YOU SEE AS THE KEY ROLES OF NZIF?**

	As only response		Included with others	
	Number	As a percentage	Number	As a percentage
Advocacy	5	35%	192	85%
Education	2	14%	182	81%
Help with career	1	7%	64	28%
Networking	5	36%	178	79%
Other	1	7%	1	
<b>TOTAL</b>	<b>14</b>		<b>225</b>	

## LOCAL SECTIONS

The active local sections continue to do a great job of identifying areas of interest for their members and organising speakers/events to address them.

The council appointed a local section co-ordinator to:

- Provide support/assistance to the local sections
- Co-ordinate local sections with cross-pollination of ideas, recommendations of successful speakers, inspiration for smaller sections from larger more active ones, and
- Resurrect local sections which have become moribund.

The breadth of topics continues to be wide and reflects the scope of interest from the industry. A selection follows:

- Timber use in commercial construction – innovative use of LVL, glulam and CLT
- Precision forestry – integration of terrain models with predictions of rainfall, sunlight angles, temperature, soil depth and weed control to predict growth rates with 15m x15m precision across a landscape
- Forest landscapes and management – a review of current forest management issues and practice through the eye of a lens
- Adding value to NZ's plantation resource with next generation biomaterials
- National Consistency for Plantation Forestry
- Hole in the Pole opening new markets for Radiata
- Landcorp – sustainable land management and farm forestry
- Proposed National Environmental Standard for Plantation Forestry
- Meet the industry for students, with 10-12 speakers
- Changing times for Trees on Otago Hill and High Country Farms
- How can Forestry help Canterbury meet its Water Quality Objectives?
- Forest safety – these times are a changing
- Durable eucalypt field day and pruning workshop
- Opportunities for farm forestry on the West Coast
- Commercial Plantation Forestry in Kenya – Opportunities & Challenges
- Prosperity from Trees – Recent Developments at Scion
- The Situation in China: Domestic Forests and The Log Export Market from New Zealand.

A significant achievement this year has been the resurrection of the Nelson/Marlborough section with

the help of an enthusiastic organising committee, learning from the lessons of the more active sections. They have held three very well-attended events to date with more planned.

Northland and Gisborne will become active again in 2015 with the formation of enthusiastic organising committees underway.

The member survey identified key desires of members for local section activities and also identified additional members willing to step up and help with local activities.

Regular teleconferencing of the local section leaders has also started and appears to be well-received and productive, providing the opportunity to share ideas on speakers and events and providing inspiration.

**Angus Malcolm**  
Local Section Co-ordinator

## REGISTRATION

The role of the registration board is to administer the NZIF registration scheme.

The number of registered members decreased by three during the year from 92 to 89, effective 1 April 2015:

- 4 new registered members were approved by the Board during the year
- 3 members did not reregister at the start of the year
- 3 members chose to not meet requirements during the year
- 2 passed away
- 19 registered members had their five-year reviews completed.

Ian Page was re-elected for a further four-year term starting on 1 June 2014.

The board met once during the year and this is concerning as the number of meetings is dictated by the number of applications for new registrations. The board will continue to arrange meetings as required and is increasingly employing phone conferencing and electronic communication to deal with matters such as five-year registration renewals.

### Complaints

No complaints against registered members were received during the year.

### Registration Processes

The move by council to a web-based membership management system continues to be bedded in. However, applications for registration and for five-year renewals continue to be received via a mix of electronic and hard copy media. The Institute's administrator is working closely with the registrar,

but there is still more work to be done with processes and procedures to ensure this becomes a well-tuned process.

CPD is now being recorded on a calendar year basis and only accepted via the website.

Some members are still slow to adopt this process and there are still registered members who have not met their requirements for the 2015/16 year.

### Registration Issues

A major issue confronting the NZIF council over the next few years is likely to be the increasing pace of retirement of a large number of registered members. It is pleasing to note the increasing numbers of younger members applying for and being approved for registration over the past two to five years. The ongoing success of the registration scheme is very dependent on that rejuvenation.

There are, however, many more younger members that could be encouraged to seek registration and just how this can be achieved should be a priority for the new council.

### Thanks

The board chair would like to thank the following people:

- The members of the board for their time and expertise in running the registration scheme
- The council for their support of the board over the past year
- The registrar for his capable handling of the secretarial and treasury responsibilities and his general support of the board
- The previous registration board chair, John Schrider who has willingly given his support to the new board
- Dr Alex Sutherland for his term as independent member appointed by Council.

**Simon Rapley**  
Registration Board Chair

## ANNUAL CONFERENCE

The annual conference of the NZ Institute of Forestry for 2014 was held in Napier in the early part of July, with the theme of "Tackling Challenges and Delivering Value".

The conference programme was designed to bring focus to the many challenges facing the forest industry both currently and into the future. Broadly, the conference topics covered:

- Operating within the Law: a Health & Safety and Environmental perspective

- 'Hawke's Bay Land Use Challenges' steep land forestry
- 'Shaping a Better Industry' trends in safety, culture and productivity
- 'Harvest Volumes and Logistics' up-scale of activity and infrastructure development
- 'Markets' economics, the China trade and carbon
- 'Value of our Forests' forest description, tree genetics, supply chain and high-end wood products.

The plenary session part of the programme was run over two full days, with the conference dinner and awards presentations held on the evening of the first day. On the third day of the conference two separate field trips were co-ordinated:

- Providing focus to the realisable success in tree genetic improvement through a full rotation along with innovative developments at the large scale sawmilling operation run by Pan Pac Forest Products; and
- Showcasing an excellent example of diversified land management to enhance environmental and sustainability values and to visit and view a unique timber value-added enterprise that is selling products to the world.

This conference was thoroughly enjoyed by all whom attended, of which there were 160 registrations and 180 attendees at the conference dinner. Some of the factors that contributed to the success of this conference are stated below:

- Excellent sponsorship support from national forestry companies and very good regional support within the Hawke's Bay
- A high class range of speakers providing presentations 'in concert' with the theme, and many from a high level both within industry and at business organisation level
- Financially successful with a good profit from this annual event. This was in large part due to having a long planning horizon to get things right and a pro-active team with the passion to make the event successful. Also, with Jay Matthes engaged as the conference administrator, this support was outstanding both in the planning stage and during the conference proper. This function has become very much an in-house role for NZIF now and along with the substantial volunteer participation within the conference organising committee, negates the need to employ third-party event management expertise
- The venue was very well located and it suited all the various functional needs including an in-house IT-managed communication system. This venue



was also very close to substantial accommodation properties, eating houses and transport services

- The conference dinner was very well attended, with some excellent speakers, both from the retiring President (Andrew McEwen) and our new President (James Treadwell).

We now look forward to the shorter Conference 2015, to be held in Wellington and further to 2016, for a gathering in the city of Dunedin.

**Bob Pocknall**  
Conference Chair

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## NEW ZEALAND JOURNAL OF FORESTRY

The Journal production and editorial teams have worked to produce four issues for the members and other subscribers during the past year:

- Volume 59 (2) Biosecurity
- Volume 59 (3) Harvesting and Safety
- Volume 59 (4) Wood quality
- Volume 60 (1) Genetics and Tree Improvement.

Each issue has been produced on time and to a high quality. I would like to thank the production and editorial teams for their hard work and dedication over the past year:

- Chris Goulding (editor)
- Helen Greatrex (assistant editor)
- Jenny Palmer (designer)
- Glenn Owens (printing and distribution)
- Jay Matthes (advertising and administration).

The editorial team meets every two months to identify appropriate themes for future issues and discuss any issues that have arisen. Planning is undertaken four issues ahead.

As always, the editor ([editor@nzif.org](mailto:editor@nzif.org)) would appreciate member contributions, feedback from members on future themes, or how to improve the Journal further.

The Journal team is currently working on improving the refereeing process and on formalising our subscription arrangements with institutional subscribers (libraries). An approach has been made by the Institute of Forestry Australia to investigate whether there would be benefits to combining the *New Zealand Journal of Forestry* with *Australian Forestry*. Discussions are at an early stage and member feedback will be sought if it is determined there is value in pursuing this proposal.

**David Evison**  
Journal Co-ordinator

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## SUBMISSIONS

Submissions and advocacy were identified as a valued activity by members, reflecting a growing perception that the values and benefits of forestry are not widely appreciated.

NZIF continues to make formal submissions and represent the interests of forestry and forestry professionals as well as focusing on national issues and regional and local issues with national implications. A largely voluntary organisation, NZIF has limited resources and must therefore take a targeted approach.

One national issue was participation in the debate over proof of legality. This led to advocacy for recognition of registered members as having the professional skills and competence to verify forest products as coming from legal sources. It also prompted representations to government seeking assurance as to the legal sourcing of wood-based products imported to New Zealand.

Differential rating of forestry to pay for public roads and road maintenance is an example of a local issue with national implications. The temptation for regulators to impose differential costs and charges at harvest will increase where political and fiscal pressures combine.

NZIF's advocacy and submissions over the past year reflected a growing frustration that submissions drafted in response to issues set elsewhere can be ineffective. We have taken a proactive stance on issues which may not otherwise get debated.

NZIF's chairing of the Standards New Zealand convened working group contributed to the adoption of NZS 4708 on sustainable forest management in New Zealand. NZIF members (in their individual and professional capacity) have been central to the development of an NES for forestry under the RMA. NZIF members continue to actively pursue the development and adoption of a NZ forest policy in the hope of achieving better recognition of the role forestry plays within New Zealand, from conservation and biodiversity through to climate-beneficial goods and services.

Specific submissions made by NZIF in the 2014 year included:

- Registered Foresters to Provide Export Assurance: Australia's Prohibition on Illegal Logging Act and Related Import Controls – September 2014
- Independent Forestry Safety Review, Public Consultation, Factors influencing Health and Safety in the Forestry Sector – June 2014
- Kaipara District Council update to forestry roading – March 2015

- Environmental Reporting Bill – April 2014
- International Consultation on Australian Forest Certification Scheme – September 2014
- Environmental Goods Plurilateral Negotiations – September 2014
- Freshwater Accounting; Draft Guidance for Regional Authorities – February 2015
- Senate inquiry into environmental biosecurity – August 2014.

**Murray Parrish**  
Submission Co-ordinator

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## NEWSLETTER AND WEBSITE

During the year the production of the newsletter was brought in-house and the design changed.

This design change is a temporary change and will be finalised in conjunction with the new website. I would like to thank all members who have contributed to the newsletter, all our advertisers and offer a special thanks to Virginia Kennard for her work putting the newsletter together each week and ensuring its timely distribution.

This year council decided to upgrade the look of the NZIF website by including online applications, website accessibility to mobile devices, easy-use members' dashboard and a general overhaul. This project has been ongoing since January 2015 and is to be live by the end of July.

**James Treadwell**  
Media Co-ordinator

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## FELLOWS' COMMITTEE

The members of the Fellows' Committee, elected in 2013 for a two-year term, were Peter Berg, Russell Dale and Dennis Guild.

The term of the current committee expired at 30 June 2015. As there were no nominations for new committee members, the current committee members agreed to offer their services for a further term and have been reappointed. It is disappointing that members are not prepared to offer their services to the Institute to ensure that the machinery of the industry's professional body can function effectively.

The Fellows' Committee convened a Fellows' meeting at the 2014 conference, receiving feedback on the proposed mentoring scheme developed by the committee in 2013-2014. There was support for the proposed mentoring scheme with the main suggestion being training for potential mentors would be desirable. Unfortunately the mentoring proposal has stalled and has not been progressed or promoted since this meeting.

The new nomination and appointment process for Fellows' involving an electronic ballot prior to the AGM was used in the 2014 appointment process and feedback at the Napier Fellows' meeting was that it was an improvement over the previous process.

**Russell Dale**  
Fellows' Committee Chair

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## NZIF FOUNDATION

The NZIF Foundation was established by the Institute in December 2011.

It is a legally separate entity from the Institute and is a registered charity with IRD donee status (meaning donations to it are eligible for tax credits). Trustees are appointed by the NZIF Council and are Andrew McEwen (chair), David Evison and James Treadwell.

When the Foundation was being established the Institute asked it to continue the Chavasse Travel Award and the three student scholarships previously administered by the Institute, with the proviso this had to be done without jeopardising the Foundation's charitable status (one aspect of this is that the awards cannot be restricted to NZIF members).

The Chair of the Foundation announced the following awards during the awards dinner at the 2014 NZIF Conference:

- **Mary Sutherland scholarship** – available to students enrolled for a forestry or forestry-related course at a NZ Polytechnic. No award
- **Undergraduate scholarship of \$1000** – available to students enrolled for a forestry or forestry-related degree at a NZ University. Awarded to David Saathof, a fourth-year Bachelor of Forestry Science with honours student at the University of Canterbury
- **Frank Hutchinson scholarship of \$1000** – available to postgraduate students enrolled for a forestry or forestry-related postgraduate degree at a NZ University. Awarded to Matt Waghorn, a Ph.D. student at the Canterbury University School of Forestry whose thesis topic is "Understanding the ecophysiological and biomechanical response of juvenile *Pinus radiata* to water deficits"
- **Chavasse travel award of \$3500** – awarded to Rhys Millar, a forestry adviser of Ahika Consulting Ltd. in Dunedin. The award was made to assist Rhys to travel to the United Kingdom to research and learn lessons from the managers of FSC and PEFC certification schemes for small forest owners.

**Andrew McEwen**  
NZIF Foundation Chair

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of New Zealand Institute of Forestry (NZIF) Te Putahi Ngaherehere O Aotearoa Incorporated

We have audited the financial statements of New Zealand Institute of Forestry (NZIF) Te Putahi Ngaherehere O Aotearoa Incorporated on pages 10 to 12, which comprise the statement of financial position as at 31 March 2015, and the statement of financial performance and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared based on the financial reporting provisions of the Incorporated Societies Act 1908.

#### **Council's Responsibility for the Financial Statements**

The Council is responsible for the preparation of these financial statements in accordance with the provisions of the Incorporated Societies Act 1908 and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our modified audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, New Zealand Institute of Forestry (NZIF) Te Putahi Ngaherehere O Aotearoa Incorporated.

#### **Basis for Qualified Opinion**

The comparative figures for the year ended 31 March 2014 were unaudited and we were unable to obtain sufficient appropriate audit evidence that the opening balances do not contain misstatements that materially affect the current period's financial statements. We are therefore unable to express an opinion on those figures or on the results for the year ended 31 March 2015 to the extent that they might be affected by the balances at 31 March 2014.

In these respects alone we have not obtained all the information and explanations that we required.

#### **Qualified Opinion**

In our opinion, except for any adjustments that might have been found necessary had the comparative figures been audited, the financial statements on pages 10 to 12 of New Zealand Institute of Forestry (NZIF) Te Putahi Ngaherehere O Aotearoa Incorporated as at 31 March 2015 are prepared, in all material respects, in accordance with the financial reporting provisions of the Incorporated Societies Act 1908.

#### **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist New Zealand Institute of Forestry (NZIF) Te Putahi Ngaherehere O Aotearoa Incorporated to comply with the financial reporting provisions of the Incorporated Societies Act 1908. As a result, the financial statements may not be suitable for another purpose.

17 July 2015  
Staples Rodway Wellington  
Chartered Accountants  
Wellington

## STATEMENT OF FINANCIAL PERFORMANCE

For the Year ended 31 March 2015

	Notes	2015 \$	2014 \$
<b>Operating Revenue</b>			
Annual Membership		156,491	126,661
Conference		126,657	115,170
Interest		17,625	13,257
Journal of Forestry		12,252	11,897
Local Sections		548	2,010
Newsletter		9,000	5,960
Other Investment		1,660	1,083
Publication		3,010	1,333
Registration Board		11,765	12,626
<b>Total Revenue</b>		<b>339,008</b>	<b>289,996</b>
<b>Less Operating Expenses</b>			
Awards & Honours		–	9,700
Conference		52,774	47,337
Council		26,390	19,787
Depreciation	1	1,220	106
External Membership		2,039	1,539
Finance		12,442	9,665
Forest policy project		2,737	–
General Administration		53,024	53,549
Journal of Forestry		48,658	49,037
IRD Penalties		46	–
Local Sections		2,757	4,664
Membership		11,043	5,400
Newsletter		5,400	10,875
Registration Board		9,666	9,539
Website		0	5,403
<b>Total Operating Expenses</b>		<b>228,195</b>	<b>226,601</b>
<b>Operating Surplus/(Deficit)</b>		<b>110,813</b>	<b>63,395</b>
Less Tax	2	9,928	4,668
<b>Net Surplus/(Deficit)</b>		<b>100,884</b>	<b>58,727</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF MOVEMENTS IN EQUITY

For the Year ended 31 March 2015

	Notes	2015 \$	2014 \$
Equity Brought Forward		330,231	271,504
Net Surplus/(Deficit) for the year		100,884	58,727
<b>Equity at 31 March 2015</b>		<b>431,115</b>	<b>330,231</b>

## STATEMENT OF FINANCIAL POSITION

	Notes	2015 \$	2014 \$
<b>Equity</b>			
Retained Earnings		431,115	330,231
<b>Current Liabilities</b>			
Accounts Payable		16,775	18,153
Accrued Creditors		17,300	562
Goods & Service Taxation		–	3,185
Income in advance		24,333	52,874
Provision for Taxation	2	7,479	2,117
		65,887	76,891
		<b>497,002</b>	<b>407,122</b>
<b>Current Assets</b>			
Bank Current Account		59,157	106,508
Term Deposits		375,758	264,983
Accounts Receivable		15,596	18,206
Conference expenses in advance		–	3,209
Goods & Service Taxation		3,853	–
		<b>454,364</b>	<b>404,683</b>
<b>Non-Current Assets</b>			
Fixed Assets	1	1,220	2,439
Website		27,980	–
Investment		13,438	11,777
		42,638	2,439
		<b>497,002</b>	<b>407,122</b>



President



Treasurer

The accompanying notes form part of these financial statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

### 1. STATEMENT OF ACCOUNTING POLICIES

#### Entity reporting

These financial statements are for the New Zealand Institute of (NZIF) Te Pūtahi Ngāherehere o Aotearoa Incorporation, a society founded in 1927 and incorporated under the Incorporated Societies Act 1908 on the 19<sup>th</sup> May 1982. (Incorporation Society No. 216334).

#### Statutory base

The Financial statements have been prepared in accordance with section 23.1 of the Incorporated Societies Act 1908.

#### Measurement base

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

#### Accounting policies

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

- › Income received from the membership of the institute and the annual conference are recognized in the year in which the fees relate. All other fees are recognized as income in advance.
- › Accounts receivable are stated at estimated realisable value after providing against debts where collection is doubtful.
- › 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. The tax expense recognised for the year is as determined in accordance with the Income Tax Act 2007.
- › Intangible assets comprise of NZIF Website which has a benefit to the institute for periods extending the year end. The website will be amortised over a period of 10 years straight line.

#### Fixed Assets

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset.  
Depreciation Rate for Plant and equipment 50%.

Description	Cost 2015	Depn Exp 2015	Accum Depn 2015	NBV 2015	Cost 2014	Accum Depn 2014	NBV 2014
Computer	2,440	1,220	1,326	1,220	2,546	106	2,440

### 2. TAXATION

	2015	2014
Interest received	19,285	14,340
Assessable Non Member Income	17,173	3,332
Not-for-profit exemption	(1,000)	(1,000)
Taxable Income	35,458	16,672
Tax @ 28%	9,928	4,668
Tax Provision	9,928	4,668
Opening Balance – Tax Payable	2,116	3,647
Income Tax Paid	(2,465)	(6,199)
<b>Tax Payable (Refund)</b>	<b>7,479</b>	<b>2,116</b>



**President**  
James Treadwell



**Vice President**  
Kent Chalmer



**Treasurer**  
David Evison



**Jess Brown**  
Secretary



**Angus Malcolm**  
Councillor



**Patrick Milne**  
Councillor



**Murray Parrish**  
Councillor



**Bob Pocknall**  
Councillor



**Simon Rapley**  
Councillor



**John Schrider**  
Councillor

## Registration Board



**Simon Rapley**  
Chair



**Mike Marren**  
Registrar



**David Bunting**  
Board member



**Geoff Cameron**  
Board Member



**Don Hammond**  
Board member



**Ian Page**  
Board member



**Janet Scott**  
Board Member

## Administration Team



**Jay Matthes**  
Administrator



**Virginia Kennard**  
Assistant Administrator



**New Zealand Institute of Forestry**

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