NZIF Forest Valuation Working Party

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

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

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

2. To liaise, as appropriate, with other interested parties, both in New Zealand and overseas, and if necessary, coopt other persons with specialist knowledge to assist in deliberations.

3. To recommend to Council means of implementing the guidelines including mechanisms for professional education.

4. To recommend to Council the desirability of, frequency, and format for collection and publication of commonly applied valuation inputs including log price information, discount rates and costs.

5. To recommend to Council the desirability of, and mechanics for the collection, analysis and publication of market values for forest sale transactions.

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

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

Bruce Manley

Forest Industries Exhibition

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

NZIF will run a series of seminars throughout the three days of the exhibition in February next year. The seminars will be presented in a professionally packaged slide show format. In conjunction with the seminars a static display will run on forestry investment for individuals. The stand will be manned by Institute members.

All material will be prepared by NZIF members and seminars will cover:
- Forestry Investment (Core Seminar): Bill Liley and Rob van Rossen
- Forestry Taxation: Mark Blackburne
- Future Markets: Denis Nielson
- Current Markets: Murray McAlonan
- Some Management Aspects: Peter Carter
- Current NZ Forestry Ownership: Chris Perley
- The Institute's objectives in organising the FI 1994 stand and associated seminars are:

(i) To provide an interested public with factual and independent information on private forestry investment.

(ii) To raise the profile of the Institute with the public.

(iii) To raise the profile of the NZIF Recognised Consultant.

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

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

Rob van Rossen