

Preferred names

John Turland

The Ministry of Forestry has gone public with a new convention in its new statistics book. It uses the terms "plantation" instead of "exotic" and "natural" instead of "indigenous" when referring to forests or timber production.

The public often view exotic tree species as being inferior to indigenous species. This is not only from the wood quality point of view but also from a cultural, amenity, conservation, and wildlife habitats point of view.

As part of a deliberate plan to elevate the status of introduced species to co-equality with native species the Ministry intended wherever possible to avoid unnecessary discrimination between exotic and indigenous trees.

Tight definitions are needed for the terms "plantation" and "natural" and the following definitions have been adopted.

Plantation Forest

A forest crop, stand, woodlot or multi-tier shelterbelt initially established/raised either artificially by aerial seeding or planting, or through natural seed regeneration or coppicing following harvesting or a natural disaster, and which is managed for the commercial production of wood or forest products, but which may confer other benefits such as soil and water protection, shelter, wildlife habitats and recreational uses. In New Zealand more than 99% of the plantation forest is made up of exotic tree species.

Natural Forest

A forest or forest remnant comprising indigenous species of plants (i.e. plant species which are native to a specified area or region in the country). The forest may include naturalised species (i.e. exotic species introduced into, or naturally colonised in a region so as to appear native or wild), provided they are not sufficiently abundant or dominant so as to alter the general character of the original forest.

Natural forest includes unaltered virgin upland and lowland indigenous forest, indigenous forest which has been slightly or significantly modified by man but which remains part or most of the general composition or character of the original forest, or native forest which is being managed or exploited primarily for the commercial production of wood. NOTE: New categories may be needed in the future for:

- (a) Exotic forests that have spread naturally, e.g. contorta pine forest in the high country.



Does the new taxation regime encourage new planting?

Sir,

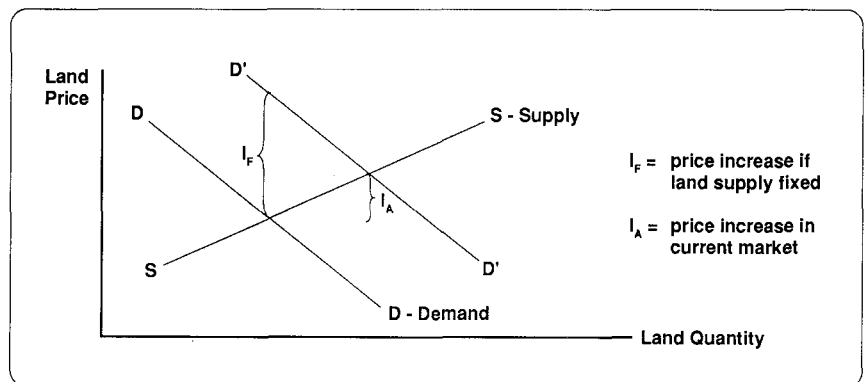
Congratulations go to Andres Katz for his clear exposition on forestry taxation in the August issue of your journal. However I must disagree with his conclusion that "for new areas, current year deductibility is offset by higher (land) prices", thus providing "little real incentive to increase planting rates".

The impact of the new taxation regime on forest land prices is best shown by a stylised graph of the supply and demand curves for forest land.

The new taxation regimes will shift the demand curve for forestry land from D-

D to D'-D'. There will be an increase in the price of land, but this will depend on the slope of the supply curve. Only if the slope is vertical (i.e. the amount of land available is fixed) will all of the increased returns to forestry be capitalised in the purchase price of new land. And with declining returns to agriculture it is unlikely that the supply of land suitable for forestry is so constrained, although this situation may change in the long term.

Mark Bloomberg
Blenheim



New planting rates

Sir,

In 1926, Owen Jones (1), who thought it a record, trumpeted the planting of 46,129 acres (net) by the original New Zealand joint stock afforestation companies. Even the official statistics (8000 ha for 1926) allow substantial private plantings about this time.

So if the graph (comment, August) is shifted a bit leftward you lose your "Effect of Tax on Private Forest Planting rates. When the rate was truly huge, in relation to the established estate, new plantings enjoyed no special tax treatment. Nor did the 1965/88 planting spree see the record broken. There must be more to it than tax.

- (b) Plantation enrichment of natural forest, e.g. Tasmanian blackwoods in South Westland or eucalypts among beech forests if these associations become significant resources.

Missing from your picture are the visionaries, like R.H. Smythe (later Sir Reginald), who saw it all and knew how to make it happen. You do not show the pulp mill expansions or the build up of log exports, which at last got on top of the "inexorable growth of the forest", as Colin Larsen called it. The tax change was only one element of a larger whole.

Perhaps the continuation of high planting rates for no better reason than tax advantage may have had something to do with the recent fall off. It was no wonder the advantage was not renewed. And, if you like enigmas, how about the inverse correlation between forest values, per recent Corporate Accounts or Forestry Corporation sales, and recent new plantings? As the former sweep up the latter plunge down. Whatever! It takes more than fiddling the tax to explain planting rates.

Ted Bilek (2) tells us to ask "What is the problem? What are the options?" . . . It is not particularly difficult, even for people with only one