

## 14. THE FARM FORESTRY FOUNDATION

### Capital Fund Needed for Research

Niall Alexander, the third President of the Association, first promoted the idea of raising a sufficient capital sum to provide each year, from the interest, a prize for the best study on farm forestry from a student at Massey or Lincoln College. Although it was mentioned again the following year, low farm incomes made it inopportune to push the matter. This was in 1967.

At the 1984 Annual General Meeting in Timaru, Neil Barr recommended that the Association set up an Endowment Fund, so that members could leave bequests to the Association.

Neil suggested that the concept be promoted by asking members “What has Farm Forestry done for you?” He referred particularly to the close family friendships established by meeting at conferences and field days over many years, where people from diverse occupations discussed innovative ideas on forestry and shelter. There was a need for a fund to enable research work (in its widest sense) to be carried out for the benefit of Farm Forestry and farm foresters. A Trust Deed was duly signed on 18 March 1985 between Neil Barr (the Settlor) and Mike Smith, Neil Barr, Peter Smail, Bruce Treeby, and John Mortimer (in his capacity as current President) as the Trustees.

“Whereas the Settlor is desirous of establishing the said Trust Fund, the Settlor has paid to the Trustees by way of a gift, \$100 upon and subject to the trusts and with the powers hereinafter mentioned. The name shall be the New Zealand Farm Forestry Foundation.”

John Mortimer announced in Hamilton at the 1985 AGM, that a Trust Deed had been drawn up and registered, providing for the acceptance of funds which would be used for promotion of all aspects of farm forestry, including research, education, and environmental issues.

Bruce Treeby, writing in *Tree Grower* 7/3 August 1986, outlined the specific objectives of the Foundation. The legal work in drawing up a suitable Trust Deed was considerable and exacting to meet the requirements of the Trustees Act 1956, the Charitable Trusts Act 1957, and the requirements of the Inland Revenue Department. This was done by Mike Malloy of Lower Northland at no cost to the Foundation.

A copy of the Trust Deed was sent to each Branch Secretary.

The Trustees can pay out up to 20% of the capital in any one financial year, and they manage the funds entirely as if they were absolute owners, with 24 clauses describing ways Trustees can invest or control monies. Although using funds for Association requirements, the Foundation is completely independent from the Association.

The Trustees are not liable for any loss (unless through their own dishonesty). They can be trustees for other organisations or companies dealing with the Farm Forestry Foundation.

Neil had been very positive that any funds generated by the Foundation should not be used for administration. The wording of the Trust Deed ensures that Neil's original intentions would be met.

Patron at the time, Sir John Marshall, made a donation to the fund in 1985.

## **Donation of Trees or Assets**

There was an expectation that some Association members might wish to donate future maturing trees or assets to the Foundation, but Mike Smith realised this could be difficult because land and forest owners tend to be asset rich but cashless.

He also realised that as individual's circumstances change, it is often impractical to bind future owners to a commitment made by their forebears. Farmers in particular are suspicious of anything that is tied to the land.

The legal work in providing for a future gift of unknown value is also considerable (and costly), and may not be

effectual at the time of execution. The law does change, as do circumstances.

A strict legal approach was therefore impractical, and would frighten people away. Furthermore, it would be almost impossible to have a legally watertight procedure, and so it would generate further legal costs.

Mike Smith then went back to a non-legal but moral approach. A letter of intent which sets out in general terms the aims and objectives (a simple contract) of the parties involved should achieve the desired effect.

By reason of constant reference to the goodness of the Donor, Mike felt that they would honour their contract with the Foundation. However, should for any reason the Donor not honour the contract, Mike advocated to the Trustees that they accept such a position without trying to enforce the contract.

### **First Trustees and Donations**

The first meeting of Trustees took place in Gisborne on 11 April 1989 during the Annual Conference. All members were present—that is, Messrs Barr, Smith, Smail, and Treeby. It was resolved that Mike Smith should act as Chairman/Secretary, a position he has held to the present (1999).

As at 31 December 1988, funds held by the Foundation amounted to \$9501. The initial work of setting up the Foundation was complete.

A letter of intent had been received from Richard and Wilma Davies-Colley to donate the proceeds of the sale of 1 ha of *P. radiata* at maturity (about the year 2002) in accordance with the above donation criteria.

The only other member to have taken the same action is Ross Higgins of Nelson, who wishes to donate the cutting rights of 1 ha of *C. macrocarpa* and *Cryptomeria japonica* to the Foundation. He will carry on managing the plantation for as long as he is able, then it will be over to the Foundation to manage.

The Trustees considered it prudent to budget for the allocation of half to two-thirds of the interest earned in any 1 year.

The first request for funding came from the Macrocarpa Action Group, which became the Cypress Action Group in 1989, and for the first few years this group was the main interest of the Foundation, as funds would not allow a more widespread distribution.

The Trustees spent much of their meeting time, sometimes by way of conference calls, discussing ways to help with cypress research, considering requests for FRI funding against a more do-it-yourself research where material from superior trees collected by enthusiasts like Denis Hocking, could be grown by member nurseries such as that of Don Tantrum.

A donation of \$2000 was made to FRI for a report by Alan Somerville on the growth and utilisation of *C. macrocarpa* from Lismore Forest—the Lismore Study.

In 1993, following a report on the direction of cypress research from Mike Menzies (FRI), it was agreed to provide up to \$6000 to enable cuttings to be taken from superior clones, for work to be done on the rooting of different-aged cuttings, and for trials of resulting trees to be put down on different farm foresters' properties.

This went ahead, with payment in December 1993.

A further \$4000 for cypress research went to FRI in 1995 to study the effect of physiological age on *Cupressus* spp., and the evaluation of *C. macrocarpa* cuttings from physiologically aged clones.

Further discussions took place in 1996 with the aim of registering some of the macrocarpa clones under the Plant Varietal Rights scheme (PVR) to enable a return on plants sold to come back to the Foundation.

## **Growth of Capital**

In the meantime the capital of the Foundation had been steadily increasing up to \$41 000 at the 1991 AGM, \$50 000 in 1992, \$77 000 in 1994, and \$90 000 by 1996. In 1997 the capital had risen to \$128 000. The funds were carefully managed by Mike Smith at the best interest rate, with donations from individuals and branches coming in

regularly. Some Branches were particularly supportive with an effort being made to contribute annually.

After Neil Barr's death in 1996, it was decided to have a drive for funds, and while this was helpful, it was very patchy with some well-established areas not contributing a cent. Neil left the Foundation \$5000.

It had earlier been decided by the Association that 1% of subscriptions collected would go to the Foundation, and this subscription levy provided up to \$1740 by 1997.

In 1995 the Foundation contributed \$400 to the *Acacia melanoxylon* Interest Group Organisation (AMIGO) as seeding finance. Also in 1995, a grant of \$2000 was made to Alan Somerville (FRI) for a *Eucalyptus regnans* study.

In 1996, a request was received from the Indigenous Forests Section of the Association for \$12 000 for the production of a handbook for people interested in indigenous forest production. The Trustees were impressed by the knowledge of the people involved in this project, Roger MacGibbon and John Wardle, and finally contributed a grant of \$3000 and an interest-free loan of \$3000 to be matched by a further \$9000 from the Ministry of Forestry. The Foundation noted that it expected a high quality product, that species suitable to specific areas should be covered, and that the contribution should be acknowledged.

### **Neil Barr's Book**

By 1995, Neil Barr's forthcoming book on eucalypts was taking shape, with the Foundation paying the expenses associated with the various drafts. When Neil died on 1 January 1996, the responsibility of putting together the material for this book, arranging the final sections of text, and editing fell on Mike Smith's shoulders.

This became a very large project, and a fast learning curve for Mike on the art of assembling and publishing a book, which it had been agreed would be published by the Association and financed by the Foundation.

The book, "Growing Eucalypt Trees For Milling on New Zealand Farms" became available at the end of 1996,

has been very well received for its practical approach to the topic, and has been selling steadily, so that the outlay has now been recovered.

### Memorial to Neil Barr

There was considerable discussion throughout the farm forestry movement on a suitable memorial to Neil Barr. Because of Neil's interest in the Foundation from its inception, and his hopes for the research needs of the Association being met from the Foundation, it was decided at the 1996 Nelson Conference to change the name of the Foundation to the Neil Barr Farm Forestry Foundation. This action was in line with a number of remits to that conference, and was thought to be a very satisfactory way of remembering Neil's enormous contribution in founding the Association and recommending the setting up of the Foundation.

Peter Smail has recently resigned as a Trustee, and Jim Pottinger and John Mackay have been appointed. Mike Smith remains as Chairman/Secretary.

The Foundation is run on a business-like basis, with accounts prepared quarterly. Conference calls are used three times a year to consider all business of a non-urgent nature. The Trustees also meet at Conference.



Trustees of the Foundation in 1996. From left: John Mackay, Jim Pottinger, Mike Smith, Geoff Brann, and Bruce Treeby.

### Need for Capital Growth

In recent years the competitive bidding for research funds from Government has meant that FRI and other research providers are very much tied to working for those

that provide funds. It has been increasingly obvious that for Farm Forestry to have an input into research, either by belonging to existing research Co-operatives, or by paying for specific research, a considerable sum will be required annually.

The Association is limited by its income to providing only some of the funds needed for research, particularly with the current (1998) downturn in forestry and membership. It has been difficult to find applicants with suitable projects to support, despite regular advice to branches and the use of the *Tree Grower*. Universities have recently been acquainted with the Foundation.

The Foundation probably needs to grow to a capital fund of some \$250 000 in order to meet research needs and other commitments from its income, but its development and steady growth have proved to be a very timely addition to the successful running of Association affairs.