

Reconnaissance surveys were made over an aggregate area of 47,944 acres of State forests in Catlins, Port Craig, Stewart Island, Waikaia, and Longwood districts, Southland region, and the forests classified under the headings of merchantable, non-merchantable, and grazing. This disclosed that, in round figures, 28,000 acres comprised merchantable timber, and about 17,000 acres were non-merchantable or protection forests. Too much stress cannot be placed upon the value of the data thus secured.

## 2. FINANCE.

### Receipts.

The forest receipts for the past financial year from all sources were £115,398, details of which, together with comparisons over a period of three years, are enumerated hereunder:—

Item.	1927-8.		1926-27.		1925-26.		1924-25.	
Forest receipts—	£	£	£	£	£	£	£	£
Timber-sales .. .. .	75,756		85,542		107,122		124,918	
Timber royalties .. .. .	5,274		3,816		6,464		5,427	
Timber trespass .. .. .	354		71		83		239	
Leases—								
Grazing .. .. .	3,088		2,806		2,527		2,252	
Sawmill-sites, industrial, &c. ..	1,845		1,225		1,646		1,252	
License and transfer fees .. .. .	121		117		113		170	
Miscellaneous licenses .. .. .	102		280		167		107	
Permits—Grazing and miscellaneous	333		456		564		825	
Kauri-gum .. .. .	132		238		627		764	
Fees for inspections and reports ..	703		620		318		324	
Interest on overdue promissory notes	135		213		149		120	
Rental of houses .. .. .	80		92		77		43	
Opossum revenue .. .. .	4,098		4,680		4,074		2,785	
Miscellaneous .. .. .	2,209		544		..		..	
National Endowment Account allocation	9,898		14,114		17,044		11,247	
	104,128		114,814		140,975		150,473	
Less adjustments .. .. .	..		749		1,969		296	
	104,128		114,065		139,006		150,177	
Nurseries and plantations—								
Trees .. .. .	7,711		10,229		10,281		8,704	
Seeds .. .. .	1,667		1,934		1,510		970	
Firewood and poles .. .. .	276		178		115		150	
Grazing .. .. .	438		854		565		511	
Rental of houses .. .. .	879		763		672		656	
Miscellaneous .. .. .	299		543		401		301	
	11,270		14,501		13,544		11,292	
Totals .. .. .	115,398		128,566		152,550		161,469	

### Payments.

The net expenditure from the State Forests Account for the past financial year was £363,331, a detailed analysis of which is set out hereunder; also comparisons with the year 1925-26 and 1924-25.

Item.	1927-28.		1926-27.		1925-26.		1924-25.	
Fixed charges and staff salaries—	£	£	£	£	£	£	£	£
Interest and loan expenses .. .. .	..	35,040	..	29,077	..	28,132	..	24,136
Allocation of revenue—								
National Endowment Account .. .. .	13,885		15,659		9,741		12,612	
Local-body payments .. .. .	6,983		9,061		6,141		257	
	20,868		24,720		15,882		12,869	
Staff salaries—								
Capital .. .. .	16,476		17,075		11,103		9,035	
Operational .. .. .	27,194		22,783		25,912		22,394	
	43,670		39,858		37,015		31,429	
Management, establishment, and development—								
Capital charges—								
Indigenous State forests—Buildings, equipment, &c. .. .. .	3,474		4,204		3,082		2,792	
Fire-fighting equipment, &c. .. .. .	182		73		38		125	
Educational—Reference library, &c. ..	180		107		213		109	
Research and experimental equipment ..	2,059		2,402		3,615		1,750	
Afforestation—Nurseries and plantations	108,876		78,418		61,315		47,864	
Sand-dune reclamation .. .. .	1,966		2,312		2,595		2,318	
	116,737		87,516		70,858		54,949	
Operational expenses—								
Indigenous State forests and general ..	15,840		17,839		15,500		14,670	
Fire-prevention .. .. .	3,166		1,524		1,553		1,405	
Educational—Publications, &c. .. .. .	472		1,094		1,164		819	
Utilization and silvicultural research ..	5,181		2,472		2,158		2,847	
Preparation of planting plans, &c. .. ..	2,918		1,611		1,358		1,196	
Miscellaneous .. .. .	257		744		74		533	
	27,834		25,284		21,807		21,470	
Land-purchases—								
Indigenous forest areas .. .. .	830		18,639		16,161		105,993	
Plantation-extension .. .. .	18,352		11,181		17,764		476	
	19,182		29,820		33,925		106,469	
Totals .. .. .	263,331		236,275		207,619		251,322	