



NEWSLETTER

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COUNCIL NOTES

From the meeting of 11 March, 1974

1. The final deficit on Conference 1973 may be as low as \$40.
2. Selected organisations will shortly be invited to become Corporate Sponsors of the Society. The subscription will be \$25 per year.
3. The Canterbury Committee has accepted Council's invitation to organise Conference 1974 which will be held on 23 August (Friday). The Conference Secretary is Mr M.L. Gimpl, Dept of Business Administration, University of Canterbury, Christchurch.
4. The National Events Sub-committee was disestablished as Council decided its tasks could well be dealt with by the other sub-committees, branch committees and Council.
5. Dr M. Forster was elected a Full Member of the Society.
6. Mr T.A. Lusk was appointed to membership of the Public Issues & Awareness Subcommittee.
7. Mr W.P. Foster was appointed as the Society's representative to the N.Z. Institute of Management (Wgtn Division).
8. Copies of the Constitution as amended at the Special Meeting held on 26 October 1973 are available from the Convener of the Membership Subcommittee, Mr L.E. O'Brien, Dept of Industrial Management and Engineering, Massey University, Palmerston North.

BRANCH NOTES

1. Auckland

The Auckland Committee elected on 22 November, 1973 consists of:

Chairman:	Mr Rosser
Secretary:	Mr Elder
Treasurer:	Mr Nutsford
Committee:	Mr Reay
	Mr Hampton
	Mr Simpson
	Mr Purdie
	Mr Slocombe

At the Auckland AGM, Mr R. Evans was presented with his 1972 Society Lecture Prize.

2. Wellington

2.1 The third AGM was held on 25 March and the following committee was elected:

Chairman:	B.A. Murtagh	
Secretary/Treasurer:	Mrs K.M. Fancy	
Committee:	D.C. Cooke	T.A. Lusk
	D.C. Dalton	P.J. McKenzie
	P.C. Gini	

The AGM was followed by an address from Mr Edward E. Winchester titled "Developing Programme and Policy Analysis in Government."

Mr Winchester came to N.Z. under a U.S. Presidency Executive Interchange Programme. His assignment with the N.Z. Government is to help set up a Program, Planning and Budgeting System (PPBS) in the Treasury. He is halfway through his 3 year contract and he spoke at length on the scope and objectives of the system as well as the progress achieved so far.

The meeting was well attended and the address drew a lively discussion from members of various state services in the audience.

- 2.2. A demonstration and presentation of O.R. Applications Packages was given to the April meeting of the Branch by Mr Geoff Welch of C.D.C., Australia.

C.D.C. have recently installed in Wellington a high-speed terminal link with the C.D.C. 6600 computer system in Sydney. Mr Welch discussed some of the applications packages which were available and demonstrated the fast accessibility of the C.D.C. 6600 by running a number of them from the Wellington terminal. Particular interest was shown in C.D.C.'s new Linear Programming system, APEX, whose performance characteristics were most impressive.

(A summary of packages were published in our last newsletter)

3. Canterbury

On the 13th March, Dr D. Robinson, Senior Lecturer in Mathematics at the University of Canterbury, and author of a review article on Graph Theory in the latest issue of NZOR, gave a witty and interesting talk on "Variations on the Theme of Critical Path Analysis." He showed how variations of the basic algorithm used to determine the critical path could also be used to determine the shortest path, the total number of distinct paths through a network, and the total number of distinct paths through a node or through an arc of the network.



TAX EXEMPTION FOR PROFESSIONAL EXPENSES

On the 13th January, Dr R.W. Willett, President of the Royal Society wrote to the Minister of Finance expressing concern over the change in tax exemption for professional expenses. Dr. Willett's letter and the reply from the Minister are reproduced below:

"Dear Mr Rowling,

Several member bodies of the Royal Society, and in particular one or two representing a large membership, in the 500 to 1500 category, have drawn my attention to expressions by their members of concern at the change in your 1973 budget whereby the limit of deduction of expenses directly associated with a taxpayer's occupation or profession will now be limited to a maximum of \$50.

The Royal Society of New Zealand represents, through its 35 scientific bodies, a total of some 13,000 scientists. The question of reduced allowance for income tax exemption on professional expenses has given concern to a wide sector of members and has been expressed by delegates at a recent meeting of the Member Bodies' Committee. I have undertaken, as chairman of Member Bodies' Committee, to write to you drawing your attention to this concern. Scientists employed throughout Government and research associations and private enterprise find their continued professional abilities must be nurtured by membership of scientific societies where they can discuss common problems with their opposite numbers, sustaining subscriptions to journals, and attending scientific conferences. In many cases certainly subscriptions to journals are covered by their own organisation, and in a similar way some conference fees are covered, but there are a number of journals which a scientist must have by his elbow to which he himself subscribes, and in a like manner there are frequently meetings, both in New Zealand and even overseas, to which he will go, paying his own conference fee and taking leave for the meeting itself. Membership of many New Zealand societies is involved and here too is an equally important area of interchange, important to the recharging of the intellectual batteries of the scientist.

Cases presented to me and selected at random indicate that many scientists have been able in the past to deduct something of the order of \$100 or even more. These deductions enable them to be members of several scientific societies in this country, but if they are to practice economy it is certain that scientific societies in New Zealand will suffer accordingly by reduced membership.

The Royal Society, as a premier scientific society in the country, rarely takes part in this type of submission, but in view of the fact that it has come as a spontaneous move from our member bodies, I have taken it upon myself to place the matter before you asking for your favourable consideration.

Yours sincerely,

R.W. Willett,
President

4/...

Copy of letter received by Dr Willett from the Minister of Finance:

"In your recent letter you raised on behalf of member bodies the question of the standard \$50 expense allowance for income tax purposes.

While I appreciate the concern of these member bodies, I should firstly make the point that the alteration to the tax law was made only after very close consideration of all aspects of the issues involved and an analysis of much factual information. It became quite clear that in the great majority of cases the introduction of a standard allowance would be of greater benefit than the previous legislation. Not only would it simplify matters but it would eliminate the doubts and uncertainties which had arisen over recent years. The dividing line between what was deductible or not for tax purposes had become indistinct and had reached a stage where salary and wage earners were in many cases forced to get professional advice on how to complete their tax returns.

Apart from this there was of course the general question of whether or not the tax system is, or even should be, designed to in effect subsidise expenditure of the type mentioned in your letter. Types of expenditure relating to a persons vocation can be many and varied and it does not seem reasonable to differentiate between occupations by allowing only certain types of expenditure. In a broad sense also it does seem more appropriate for an employer to reimburse the employee for expenditure incurred if that expenditure is necessary and directly related to that employment.

In connection with subscriptions it is of some interest to note that up to 1972 the limit on tax deductions for union fees and subscriptions was \$20 per annum. It was because some doubt existed whether union fees and subscriptions qualified under the general deduction provision of the Tax Act that this limit was lifted in 1972. Therefore in considering the adequacy or otherwise of the new \$50 standard allowance it is a matter for reflection that for quite a number of years the legislature itself considered that no more than \$20 was sufficient.

To sum up, the Government was carefully examined this whole matter including representations from many professional groups. I consider, having regard to all factors that the Government's basic approach to this question is sound.

Yours faithfully,

W.E. Rowling,
Minister of Finance

NOTICES/CONFERENCEES1. IFORS Corresponding Members

IFORS (the International Federation Of Operations Research Societies) have proposed that membership of IFORS committees be expanded to include Corresponding Members from member societies. If this amendment is passed, IFORS will be wanting people to serve as Corresponding Members on the following committees:

- (a) External Affairs
- (b) Publications
- (c) Plans and Programs

If you are willing to serve our Society in this capacity, please contact:

Tony Vignaux, International Affairs Subcommittee,
NZOR Society, P.O. Box 904, Wellington

2. The provisional date for the 13th Royal Society of N.Z. Congress to be held in Dunedin is May, 1976.

Five broad themes have been agreed to:

- (a) Antarctica
- (b) Planning for the Year 2000
- (c) Marine Resources of the N.Z. Region
- (d) New Developments in Education
- (e) Current Research in N.Z.

The theme "Planning for the Year 2000" will be concerned with two sub-themes: Population and related matters (including, amongst other things, urban and regional planning) and Energy (including, amongst other things, efficiencies, probable demand, consumer surveys).

Members wanting further information should write in the first instance to Prof J.B. Mackie, University of Otago, P.O. Box 56, Dunedin.

3. The 2nd Conference of SIMULA users is to be held in Monte Carlo (a name to fit the situation if ever there was one) from 9th to 11th October, 1974. This Conference is being arranged by the association of SIMULA users (ASU) and the Norwegian Computing Center and will feature the simulation programming language SIMULA and applications of this language. Papers presented will report original work or survey existing applications.

Enquiries should be addressed to:

Norwegian Computing Center, Attn: ASU Secretary,
Forskningsveien 1B, Oslo 3, Norway
(Telephone: (02) 466930)

4. The Information Science Dept of Victoria University is considering offering a Diploma in O.R. in 1975. The course will concentrate on the applied as opposed to the theoretical aspects of O.R. More information will be published as it comes to hand.
5. A Wellington display of desk and pocket electronic calculators can be seen in the Lion and Unicorn rooms on the 1st Floor, Hotel St George on Monday 1st July, 10am to 5pm and Tuesday 2nd July, 10am to 4pm. The display, organised by the Statistical Association, will exhibit a wide range of equipment covering 17 firms. (Tea and Coffee served free at lunch time).

NEW MEMBERS

1. Auckland

Peter Dickson. Lecturer in Management Studies at Waikato University, lecturing in Marketing and Administration. Interests include Market and Advertising Research.

Michael Forster, Full member, Senior lecturer in Statistics and O.R., Research work includes an O.R. study of United States housing needs, the simulation of a large scale inventory control system for the Polaris missile and a study of time, risk, cost trade-offs in missile R & D

2. Wellington

Ian Duncan. Economics Dept, ANZ Banking Group.

Grahame Feletti. Lecturer in Educational Statistics at Victoria University. Interest areas include applied Educational Statistics.

Clement Fisk. Advisory Officer in the Dept of Trade and Industry. Special interests are the Forecasting and Simulation of Production and associated areas.

Robin Harrison. Lecturer in Econometrics at Victoria University. Interest areas are Econometric Estimation and Simulation.

Brian Maskell. Senior Management Services Officer with the State Services Commission. O.R. background includes relative merit analyses of world-wide O.R. packages

William Menzies. Marketing Division, N.Z. Dairy Board. Interests are Market Forecasting and Inventory Control.

3. Christchurch

Neil Burns. Lecturer in Production Engineering at University of Canterbury. Publication pending looks at the design and development of knitting machinery.

John Deely. Professor of Statistics at University of Canterbury. Special interest areas include quality control.

Brian Easton. Lecturer in Economics at University of Canterbury. Interest areas are Statistics, Social Maths and Teaching.

Peter Nuthall. Senior Lecturer at Lincoln College. Interest area is Linear Programming.