

Annual Report 2023

Photo: The Cullen family farm woodlot near Balclutha – there are many common interests with NZ Farm Forestry Association and FOA
Cover: Eilish Carson inspects 140 year old pines – Wellington Region

Contents

New Zealand Forest Owners Association Inc
Annual Report 2023

Highlights	1
Report from the President	2
Report from the Chief Executive	4
Activities	6
– Forest Industry Safety Council/Safetree	6
– Fire	8
– Transportation and Logistics	9
– Training and Careers	10
– Environment	12
– Small and Medium Enterprises	13
– Research, Science and Technology	14
– Biosecurity	22
– Promotions	25
Auditor's Report	27
Financial Statements	28
Executive Council and FOA Staff	33

\$6.35 billion

exports in year to June 2023
(#3 primary export industry)

1.79 million ha

plantation estate
at April 2023

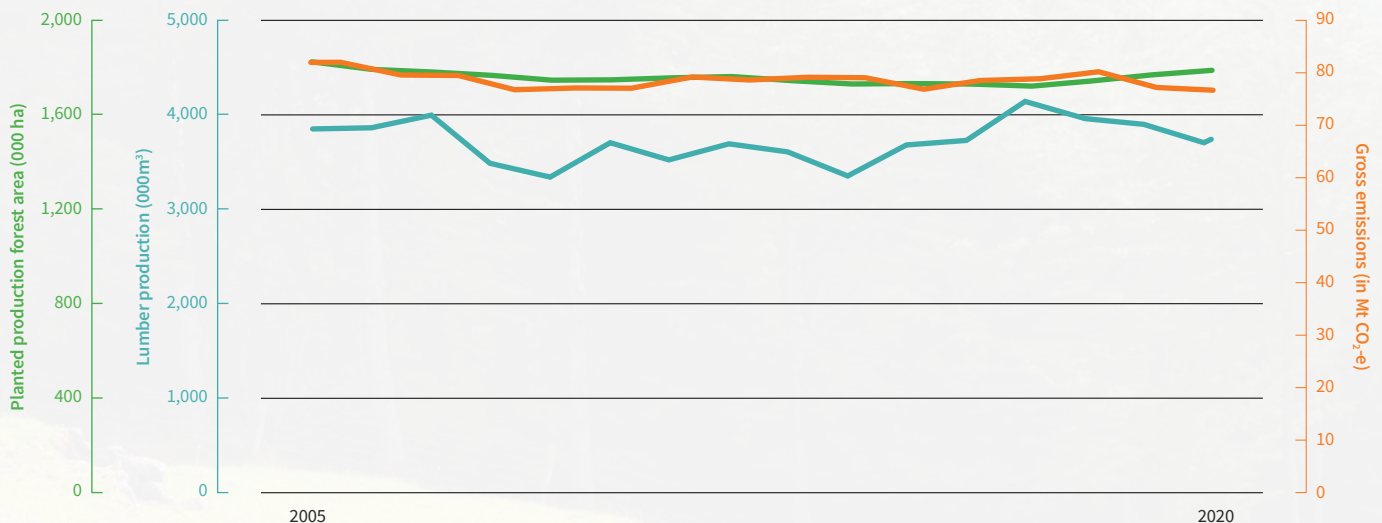
21 million

tonnes of carbon dioxide sequestration
in 2022 (half of all NZ's CO₂ emissions)

30.9 million m³

of harvest in 2023

New Zealand's planted production forest area, lumber production volumes, and the country's gross emissions have all been relatively static since 2005



Sources: National Exotic Forest Description as at 1 April 2022 MPI, New Zealand's Greenhouse Gas Inventory 1990–2021 snapshot MfE, Lumber Production and New Zealand Lumber Exports MPI

Report from the President

The past year has been one of significant challenge and also one of significant change for the Forest Owners Association.

Challenges have included;

- Opposition to forestry planting on farmland manifesting into a series of regulation and policy changes from both main political parties.
- The Climate Change Commission recommending options to limit exotic afforestation through manipulating the volume or value of Forestry NZUs traded in the ETS.
- The destruction brought by tropical cyclones Hale and Gabrielle on communities across the East Coast of the North Island and the role forestry plays in those landforms and communities.
- Significant fee increases for forestry participation in the ETS.
- Regional Councils beginning to roll out significantly more stringent rules for forestry under the guise of the National Environmental Standards for Freshwater (NES-FW).
- A tough international operating environment, due to a range of political and economic influences, hurting members' fortunes.
- A change of government requiring establishment of new relationships and forestry familiarity.

The FOA staff, FOA membership, committee members, fellow board members, and other forestry professionals who make up the forest industry are business environmentalists at heart who take the role of land management and environmental stewardship extremely seriously. They have been left somewhat shell shocked and confused at the direction of travel and the bombardment of negative sentiment towards the industry.

Left unaddressed, the outcome will clearly be a reduction in planting over coming years and the economy and environment of New Zealand will be poorer as a result.

The challenges above have added considerable workload under trying circumstances to the FOA team and it is important to recognise the significant effort put in by the staff, committees and the executive over the past year. My sincere thanks to all of you.

It is clear that despite our best efforts the good news story about forestry's positive contribution to water quality, climate change, biodiversity and the wider economy has been drowned out by competing forces eroding the industry's social licence.

FOA looks forward to working with government agencies, our peer industries and NGOs, and our communities



Clearly the challenge to successfully represent FOA membership and the wider forest industry has increased markedly and more needs to be done.

This will require more resources and more input from the membership. In the coming year the Forest Growers Levy will come up for re-confirmation and this will be the time to consider the business case for added support of the collective industry levy and work plan. I would encourage all members both big and small to not shy away from providing the resources the industry representatives collectively need to meet your expectations.

Chief Executive, David Rhodes and Operations Manager, Glen Mackie retired in 2023 after many years of service to the New Zealand forest industry.

As President I would like to recognise the significant contribution both made to the wider industry, the strong leadership they displayed and relationships they forged, we will all benefit from their work for decades to come.

Following their retirements, we welcome Dr Elizabeth Heeg as the Association's new Chief Executive. Elizabeth comes to us with a strong science and public service background. Elizabeth has rapidly stepped into the leadership role and clearly understands the benefits forestry brings to society and the environment. She will be a strong and effective advocate for our interests.

Joseph Broly has subsequently been employed in the role of Chief Operating Officer and comes to FOA with a strong family background in the industry and a practical forestry skill set. The communications team has also been strengthened during the year both through committee membership and with the addition of Emily Pope, bringing experience in both the seafood and horticulture sectors, in the role of Senior Communications Advisor.

The 2023 general election has seen considerable debate concerning forestry and a change of Government. This has created an opportunity to moderate some of the more extreme policy positions outlined above, but more work remains to enable a legislative platform where forestry can deliver to its full potential in terms of environmental, social and economic benefit to New Zealand.

The FOA is up for the challenge and we look forward to working with Ministers, MPI, TUR, a range of other government agencies, our peer industries and NGOs, and our communities to make New Zealand a better place with more forests.

Following this year's AGM my two-year term as President will come to an end. Personally it has been a challenging and rewarding experience encompassing many learnings that I would willingly do again. I thank all of you who have supported me in the role and it is with confidence that the FOA presidency passes to Mathew Wakelin who I know will serve the organisation well during his time in the hot seat.

I also thank my fellow board members and those serving on the various committees for the time and effort they put in on behalf of all and know that this will continue to serve FOA well in the years to come.

Grant Dodson
President
March 2024



Report from the Chief Executive

In the previous FOA Annual Report, my predecessor predicted that 2023 would be a year of upheaval, and unfortunately, he was correct.

The impacts of the dual cyclones on the North Island at the start of the year will be felt for a long time to come. There is ongoing clean up and research being done within forestry as to how to stabilise some of the still unstable areas in the region and prevent further damage.

Following on from the storms, the FOA was one of the first voices in support of an independent Inquiry that looked at the unique challenges of land management on the East Coast and worked very closely with the Eastland Wood Council to manage both national and local engagement.

The Ministerial Inquiry on Land Use had a lot of recommendations that despite the title of the Inquiry, were very focused on our industry. There is still an intensive ongoing programme of work with Central Government and Gisborne District Council about the future of regulation in the district, as well as ways to uplift capacity and capability at the council.

The operational licence for forestry suffered because of the cyclones, with many media pieces casting any woody debris as “slash,” and forestry being widely perceived as the cause of much of the damage, despite surveys which showed a mix of wood origins in the storm debris in the Hawke’s Bay and Gisborne regions.

The storm damage also had an intense impact on contractors in the regions, and on the Pan Pac wood processing facility, which is looking at a \$300 million dollar clean up and rebuild even excluding lost productivity costs.

Despite our best efforts, we lost the Wairoa differential roading rates judicial review on appeal. While we are continuing to look at ways to address this unfair legal precedent, the policy now sees companies paying higher rates even when they often are already doing the maintenance on county roads. This loss capped off a difficult winter period.

During the election, the outgoing Labour government made new slash regulations via the National Environmental Standards for Plantation Forestry (NES-PF), as well as imposing additional planning requirements. This was further complicated by their drive to incorporate permanent, non-production forestry into a standard that was not designed for it.

Meanwhile carbon policy continued to be a political plaything with the special forestry test removed, announcements of planting moratoriums, maximum development areas, and the ceding of greater decision-making to local authorities.

In amongst this, the Climate Change Commission, which FOA worked closely with, provided advice on the second Emissions Reduction Plan which the government then rejected – without explanation.

They also set new fees for Emissions Trading Scheme Cost Recovery that included a \$30/ha flat fee for participation, which we almost immediately challenged with judicial review in partnership with NZIF, Ngā Pou a Tāne, and the Climate Forestry Association. Little wonder that foresters began to question whether the government wanted additional carbon sequestration or not.

Something else that is yet to be fully settled is the Log Traders and Forest Advisors legislation. It was encouraging to see the industry come together with a unified voice of concern on many matters that were inadequately justified, or even explained. While it is now law there remains work to be done to minimise unnecessary cost and administration.

The change of government late in the year has offered us the opportunity to engage on their proposed changes to resource management law, with the repeal of the National and Built Environment Act, the development of which had set a new low bar for the meaning of consultation.

The incoming government has also signalled that they will prioritise trade missions to boost exports, which may help us find alternatives to a very soft Chinese market. There is still a lot of uncertainty that we are working through with the coalition, though, including what may happen next for forestry training with the cancellation of the Te Pūkenga reforms to polytechs.

\$300m

clean up and rebuild cost for the
Pan Pac wood processing facility

Following on from the storms, the FOA was one of the first voices in support of an independent Inquiry

Forest Growers Research held an outstanding conference on *Meeting the Challenge – Protecting and Enhancing the Environment through Sustainable Forestry*. Topics on forest health and diversification helped refocus the industry on recovery and the use of research to meet the challenges ahead.

There was also good progress on biosecurity with a successful argument for a reduction in forestry funding for the government industry partnership that was more equitable, and further progress on Plant Pass. The need to remain diligent in this area cannot be overstated and it remains a strong case for increased funding by both government and industry alike.

Spring also saw the formation of the pan sector NZ Forest & Wood Sector Forum, whose membership includes Forest Owners Association, Forest Industry Contractors Association, New Zealand Institute of Forestry, Bioenergy Association, Forest Industry Safety Council, Ngā Pou a Tāne, New Zealand Farm Forestry Association, and the Log Transport Safety Council. We have all signed up to an accord to work together to promote forestry and wood processing, and our initial action was to publish a joint Briefing to the Incoming Minister.

The ongoing engagement with a wide range of stakeholders and fora is a key part of FOA's positioning on behalf of members. It was great to be back again at Fieldays with an increased footprint and to hear the encouragement from non-forestry visitors.

Like my predecessor, David Rhodes, I will continue to ensure forestry's voice is part of the Food and Fibre Partnership group and it is heartening that the change of government has not seen us move away from the vision of a joined up primary sector.

We trialled a few membership initiatives at the end of the year, including an online townhall forum that we are repeating quarterly. This forms part of an ongoing programme to look for ways members can connect during these challenging times, to make the most of their FOA membership.

We also will continue to produce a regular FOA Bulletin and the monthly e-News, but started a programme of work on new channels of communication that should come to fruition in 2024.

I would like to thank the joint committees for their contributions over the last year, including the chairs Marcus Musson (Promotions), John Simmons (Biosecurity), Neil Cullen (SME), Tim Sandall (Transport), Steve Chandler (Training and Careers), Sally Strang (Environment), Simon O'Grady (FISC), Ian Hinton (Research) and Brendan Gould (Fire).

I would also like to thank the secretariat team, whose hard work on behalf of the sector is critically important to our success.

A special thanks to Grant Dodson as he signs off on his term as FOA President. His laconic observations, industry practicality and deep knowledge of matters outside forestry, have become a valuable legacy for our industry as it meets the challenges ahead.



Elizabeth Heeg
March 2024



Activities

NZFOA is a member of the Forest Industry Safety Council (FISC), an independent Charitable Trust that also includes representatives of FICA, NZFFA, WorkSafe, ACC, First Union, and workers. FISC delivers safety and wellbeing initiatives on behalf of the industry through its Safetree brand. Here is a summary of FISC's key activities in 2023 from its CEO, Joe Akari.

Forest Industry Safety Council/Safetree

Leadership

Cyclones Hale and Gabrielle resulted in unprecedented damage to infrastructure and forests in the North Island. Windthrow harvesting is a high-risk activity and FISC's response included:

- Creating an expert group to provide training materials, videos and advice for contractors and workers undertaking windthrow harvesting. The key message was that windthrown trees must be harvested by machine wherever possible.
- Creating a 'one-stop-shop' on its website where people could find this information, along with other support available, including discounted counselling available through Safetree.
- FISC secured \$112,000 of cyclone relief funding to subsidise the cost of Safetree Certification for forestry contractors and workers involved in tree falling.
- FISC's Toroawhi/Worker Champions visited crews and workers affected by the storms to talk about managing the additional risks and available support.

FISC piloted, then delivered, the Hauora Safety Leadership course. The course, developed with WorkSafe funding, weaves tikanga Māori into the fabric of leadership and safety. Seven courses were delivered around the country involving 94 people. Feedback from attendees was very positive.

FISC supported industry initiatives with the potential to positively impact health and safety. These included being a founding member of Te Kawa a Tāne, the Forestry Community Health and Safety Alliance in Te Tairāwhiti initiated by WorkSafe, and the NZ Forest & Wood Sector Forum, a pan industry group that will engage on issues of common interest to the industry.

FISC continued to provide forestry with a strong voice on safety and wellbeing in discussions with government agencies. This included meeting with officials at WorkSafe, MPI, ACC and MBIE to update them on topical issues in forestry, and to hear their current focus areas so this information could be shared with the industry.

FISC has supported ACC's Recovery at Work trial, to identify and evaluate initiatives that help people recover and return to work after an injury. It has also been a stakeholder in the qualifications review work led by Muka Tangata, the Workforce Development Council for the food and fibre sector.

12 Safety Alerts

have been promoted by FISC, covering topics from manual falling to logs sliding off trailers

Risk

On behalf of WorkSafe, FISC ran industry working groups to review five sections of the Approved Code of Practice (ACoP) for forestry. The working groups gave feedback on current practices in the areas of Steep slope harvesting – tethered machines, Manual tree falling, Breaking-out, Work on landings and Cable Harvesting.

FISC has led industry work on a Thinning for Value Best Practice Guide. The guide is expected to be published in mid-2024 and aims to raise the level of expertise of the workers undertaking this work.

FISC continues to provide a central point for sharing industry health and safety guidance. During 2023 this included a guide on repairs and maintenance created by Rayonier Matariki Forests and one on working safely around attachments by Waratah. FISC also financially supported an industry initiative to develop Hauler Guarding guidance.

FISC also promoted 12 industry Safety Alerts covering topics from manual falling to logs sliding off trailers. These Alerts are available on the Safetree website: www.safetree.nz/safety-alerts.

Engagement

Safetree's two Toroawhi/Worker Champions visited 764 crew during the year and attended many industry events as part of their work to improve worker wellbeing and engagement. Funding for the initiative ended in 2023 and it was wound up in March 2024.

During the year FISC created videos about good practices and innovation, and shared them on Facebook and TikTok. These industry stories included tips on harvesting trees damaged by cyclones, a contractor who invented automatic barrier arms for access to sites, and looking after migrant workers. These videos are on the Safetree website: www.safetree.nz/resources.

FISC supported many industry events during the year. This includes being part of the Forestry Hub at Fieldays, where it promoted the benefits of certification to farm foresters.

FISC continued to expand the reach of its communications, particularly through social media. During 2023, Safetree's Facebook page had an estimated reach of 1.5 million (how many people saw a post at least once) and at the end of 2023 had about 11,880 followers. Safetree's TikTok account, started in late 2022, had grown to about 5470 followers at the end of 2023, with an estimated 805,200 views during the year.

Following a fatality in 2022, FISC and FICA created updated guidance for forestry businesses on dealing with workplace-related deaths that includes cultural and spiritual information. The guide is on the Safetree website.

Capability

Safetree Certification continues to grow on the back of strong support from the industry.

The number of Certified Contractors reached an all-time high, with 303 harvesting and silviculture contractors either certified or pending certification. This growth was largely driven by forest managers increasingly requiring certification as a prerequisite for tendering on blocks. The number of workers who are certified or pending certification also rose to 82.

During the year work began on a Forest Manager Certification scheme that focuses on key areas of health and safety. Work continued on developing a 2nd tier of Safetree Certification, to recognise contractors working with a higher level of health and safety.

Performance

FISC produces and shares the *How are we tracking* dashboard of industry health and safety performance. This dashboard shows that two worker fatalities were reported by WorkSafe in 2023, both within the critical risk area of manual falling.

FISC created three IRIS reports using industry data and continues to develop the IRIS database.

We also piloted a project with key stakeholders to improve data learnings.

2023 milestones

Leadership



Supporting the industry following Cyclones Hale and Gabrielle

Supporting sector initiatives and advocating for forestry with government

Running leadership courses tailored for forestry

Representation on various working groups, review groups and pan sector forums

Managing Risk



Contributing to WorkSafe's review of the ACoP

Creating and sharing new guidance

Sharing and promoting Safety Alerts

Producing new resources

Engagement



Toroawhi/Worker Champions

Sharing industry stories of good practices

Expanding the reach of our communications

Attendance and participation at industry events

Capability



Number of Certified Contractors reaches all-time high

Number of Certified Workers also continues to grow

Certification branding for Contractors

Development of Certification extensions

Performance



Two worker fatalities reported by WorkSafe, both within the critical risk area of manual falling

Continued to produce the *How are we tracking* dashboard of industry health and safety performance

Created three IRIS reports using industry data and continued to develop the IRIS database

Piloted a project with key stakeholders to improve data learnings

The FOA works with the NZ Farm Forestry Association to operate joint committees to deal with the specific areas of interest in the industry. The committees are charged with keeping the FOA Executive Council informed and updated on their strategies and issues, as well as responsibilities of governance over the Forest Growers Levy Trust Annual Work Programme.

Fire

Production forests, surrounding communities and environment are all protected by reducing fire risk and managing wildfires which do occur.

The FOA/FFA Fire Committee, with FGLT funding, and significant in-kind contribution by the Fire Committee members, engages with Fire and Emergency New Zealand (FENZ) and the Department of Internal Affairs (DIA) to make sure FENZ and DIA consider forestry interests and appreciate the sector's partnership role, and that regional operational relationships are improving and effective.

FENZ Joins the FOA/FFA Fire Committee

This past year the Fire Committee welcomed a representative from FENZ into the committee to continue to build the FENZ and forestry sector partnership.

Quantifying Forest Industry Investment in Fire Risk Management

Following a survey of forest owners in 2022, the Fire Committee published a report detailing the investment that the industry is making into fire risk management and to communicate the annual costs to forest owners. Forest owners are now better positioned to engage with government as a partner in fire risk management.



Attendees at fire risk management workshop



www.nzfoa.org.nz/images/FOA_Fire_Investment_Report_A4_FA_Web_spreads.pdf



Fire Strategy

Development of a new strategy for risk management, work programme and incorporation of the Plantation Forestry Rural Fire Control Charter began in late 2023 with a workshop, attended by industry and government leaders, specialists, and representatives in rural and forest fire risk management.



Transport and Logistics

The Transport Committee deals with the safe and efficient transportation of forest products, including policies for the funding of roads and safety of logging trucks. The Committee works closely with the Log Transport Safety Council (LTSC).

The Committee, with local forest owners, issued a Judicial Review against the Wairoa District Council forest land rating system, where forest land over 100ha is specifically targeted. The Court of Appeal found for WDC in 2023, despite the inconsistency compared to other land users. The case sets a dangerous precedent for other regions and will be monitored closely.

Following the updating of the Log Transport Safety Accord, the Annual Log Transport Safety Improvement Plan (LTSIP) has been updated. The LTSIP is to enable the forest industry to collaborate, consult and coordinate agreed interventions to enhance Safety, Health and Wellbeing, setting quantifiable outcomes that will be monitored and measured.

Log Transport Safety Council (LTSC)



Log Transport Safety Council (LTSC) www.logtruck.co.nz

The Committee manages the annual contribution to the pan-industry LTSC, for work between forest owners, operators, researchers, government and enforcement agencies.

The LTSC commissions research and directly engages with the Transport Committee. FOA is a signatory to an Accord with the LTSC and the Road Transport Forum.

Logtruck.co.nz

The 0800LOGTRUCK reporting system based upon 'phoned-in reports has been transitioned to a web reporting system www.logtruck.co.nz

Signage on trucks and trailers has been changed for the new system.

Parties under the LTSIP agree to support this public reporting scheme. To determine the compliance of logging trucks with the new signage requirements, the Committee employed a student to visit sites to record signage compliance and trailer lifting certification. Compliance was not uniformly good.

Wood is Good/Share the Road

This programme is supported jointly by both the Transport and Training and Careers Committees. This programme raises the awareness of students, teachers and parents of the role of forestry and log transportation in their local community.

The programme is in its third year and visited 25 primary schools in 2023, with a further 62 schools on a waiting list. A series of “Wood is Good” resources have been developed including books and teaching resources for children 5 – 12 years. The programme helps build local relationships, with several forestry companies returning to schools for follow up presentations.

Export Port Logistics Review

An initial scoping report was commissioned in late 2023 to identify the major source of logging truck delays and inefficiencies affecting the forestry supply chain at export ports nationwide. A more comprehensive report is to follow in 2024. These recommendations may extend beyond logistics issues due to the interrelated nature of the forestry supply chain and the number of stakeholders involved.

1500

Approximately 1500 qualification booklets and material folders were collated and distributed to schools, expos and events in 2023

Training and careers

Forestry training and careers are a critical component for the success of New Zealand's forests.

Our 1.79 million hectares of plantation forests provide employment for 40,000 people.

Mechanisation has improved productivity and attracted new skills, extending career pathways beyond manual labour to offer a variety of highly skilled, technical roles.

However, attracting and retaining these skilled workers is challenging.

Forestry's workforce is ageing. The market, regulations and planting rates are volatile. A trough of planting through the early 2000s will mean few workers are needed to harvest those forests once they mature.

The Training and Careers Committee serves to support the sector in delivering workforce capability outcomes through the plantation forestry training programme.

Comprised of forest grower representatives, industry representatives, training providers and government representatives, the committee facilitates investment into forestry training and career pathways through the Forest Growers Levy Trust (FGLT) annual work programme.

Initiatives include:

Forestry Careers NZ website

Forestry Careers NZ is the only nationally representative training and careers website for forestry in New Zealand.

The site serves as a repository for a wide range of training and career resources, news and events; offering job seekers and learners information on the types of forestry roles and training pathways available.

Significant investment was made into expanding the Science Careers section of the website in 2023 to better promote the variety of forestry roles and attract highly skilled workers. Science and Careers is now the most comprehensive section of the website, profiling 22 science-based forestry roles.



www.forestrycareers.nz

Training materials

Approximately 1000 qualification booklets and 500 training and material folders were collated and distributed to schools, expos and events in 2023. Materials included forest themed books for children, career pathways information and wooden key chains and USB sticks with forestry videos pre-loaded to attract pupils' interest to forestry training and career options.

Social media campaign

The training and careers promotion and attraction efforts extend to social media.

Forestry Careers NZ was successfully piloted in 2020 and has acted as the vehicle for executing training and careers messaging on Facebook and Instagram for three consecutive years.

The 2023 campaign culminated in 104 posts made on Instagram and 128 posts on Facebook.

A modest audience growth was observed across both platforms in 2023, achieving 11.53 percent increase in followers on Instagram and a 6.38 percent increase in fans on Facebook.

Most engaging content tended to be profiles of young people working in forestry.



www.facebook.com/ForestryCareersNZ

Promotional activities

Promotion of forestry training and career opportunities continued through various sector publications, school magazines and materials in 2023.

The committee commissioned a paid editorial for placement in the October issue of the Leaving School magazine; profiling 25-year-old Grace Marshall – an operations scheduler at Pan Pac. A full page 'Love Our Forests' advert was also placed in Principals Today magazine for term 4, and an advert promoting forestry career opportunities was placed in the 2023/24 CATE wall planner.



Putaruru Portable Sawmillers learning how to cut their biggest pine ever

University of Canterbury – Post-Doctorate support

With FGLT funding, the School of Forestry is able to retain post-doctorate support for teaching and research and offer scholarships to pursue applied research needs.

The school has reported an upward trend in class enrolments – with 50 first year students enrolled in the class this past year.

Future Foresters

Special interest group, Future Foresters, received renewed funding from FGLT for 2023 to attract new entrants into forestry careers and support foresters in their early career development.

Funding enabled the group to deliver three professional-development workshops and two networking events, to have a presence at the 2023 Fielddays® Forestry Hub, and produce three Virtual Field Trip Videos, showcasing the variety of forestry jobs.

Wood is Good

The national primary schools programme, Wood is Good, engaged with 2397 pupils across 25 schools in 2023. The programme, supported by FGLT and delivered by Discover Forestry, aims to increase awareness of forestry and its role in the local community.

Grow Me

Supported by the FGLT, Grow Me is a national secondary school engagement programme aimed at generating pupils' interest in forestry careers. Delivered by Discover Forestry, the 2023 programme ran 43 events – having a presence at career expos, coordinating Forestry Big Day Out bus trips – and visited 35 secondary schools.

Generation Programme

The Generation Programme introduces trainees to a real-world learning experience combining industry training and employment opportunities. Supported by FGLT funding, the 2023 programme was delivered by Toi Ohomai Institute NZ over 12 weeks. Of the 9 students that enrolled in the course, 69 percent graduated achieving a NZ Certificate in Forestry Foundations Skills (level 2). After the programme 39 percent were in employment and 34 percent continued studies.

Tokomairiro Forestry Pathways programme

This programme provides pathways for young people wanting to work in silviculture, logging and supporting industries and for tertiary study.

Eight students completed the Tokomairiro Pathways programme in 2023, achieving level 2 and 3 unit standards for health and safety, environmental and operational (chainsaw, planting and pruning) in forestry. Two students entered full-time employment in forestry as a result of the programme.

Job Enrichment via Mentoring project

The primary goal of this project was to establish an on-the-job mentoring programme for forest contractors to help develop learners. The programme developed mentoring materials in 2023 that were prepared and tested to evolve into new skill standards. Mentoring resources were also tested for alignment against the NCEA level 2 certificate.

University of Canterbury – Model to forecast future labour requirements

Supported through FGLT, the University of Canterbury has started developing a scenario-based labour model. Once completed, the model will produce workforce data to assist growers in forecasting labour requirements.

Learning and training needs of small-scale foresters

Funding from the FGLT enabled the Farm Forestry Association to develop a survey to assess whether the learning and training needs of small-scale foresters are being met.

The survey was administered online between April and June 2023, collecting 143 responses. All respondents said they weren't willing to spend more than three days in training and most were more interested in the knowledge gained than obtaining a formal qualification.

Establishing a vocational training system entity

This project sought to create a peak forest industry training and careers body – referred to as the 'Entity' – to provide leadership for the management, facilitation and administration of the sector's training and learning needs.

While the outcome was not achieved by 31 December 2023, a blueprint was produced to guide the concept.

National Fielddays®

The committee supported the wood councils to have a forestry training and careers presence at the Mystery Creek National Fielddays® Careers hub in June 2023.



FOA makes submission to Primary Production Select Committee 22 July 2023

Environment

The Environment Committee's mission is to maintain and enhance production forestry's licence and practical ability to operate. The committee achieves this through engagement with government agencies and policy officials. The committee also provides submissions to government consultations on regulation proposals.

The Environment Committee prioritises projects to give impact to the submissions, particularly the biodiversity and the water quality benefits forestry offers as the committee believes that this is the key to building social licence.

Environmental Consultant

The Environment Committee calls on the services of an expert resource management consultant for ad hoc advice on national regulatory issues, such as environmental legislation change, planning matters, submissions, and government engagement.

Resource Management Review, Statutory Change and Planning Advocacy

New regulations with wide-reaching implications were consulted on in 2023. In total 11 submissions were prepared by the Environment Committee. In some instances, the submissions included legal advice and/or input from subject matter experts such as statisticians.

The committee funded legal expertise for regional matters with the potential to have national precedence, for example, Environment Canterbury's Plan Change 7 and Otago Regional Council's Draft Freshwater Plan.

The Environment Committee contested the Environmental Defence Society's challenge to the National Environmental Standards for Plantation Forestry (now Commercial Forestry) and the Committee provided information and support during the Ministerial Inquiry into Land Use in Tairāwhiti (the Inquiry).

Environmental Code of Practice/ Forest Practice Guides

A sub-committee of the Environment Committee was established to update the Environmental Code of Practice and the Forest Practice Guides.

FSC Cluster Group Support and FSC Standards Development Group Support

The Environment Committee continues to support both the Forest Stewardship Council (FSC) Standards Development Group and FSC Cluster Group. A new standard was brought into effect in 2023. The Committee held cluster group meetings to work through the implementation of the new standard.

Biodiversity Initiatives

New Zealand is moving towards greater emphasis on protection and enhancement of existing landscapes with biodiversity value. The Environment Committee is commissioning research which demonstrates forestry's biodiversity and water quality benefits. In 2023 the Environment Committee supported Parker Conservation to report successive falcon breeding seasons in production forests in coastal Otago as a journal article.

51%

of respondents agreed that most of the damage caused in Cyclone Gabrielle was because of poor forest harvest practices.

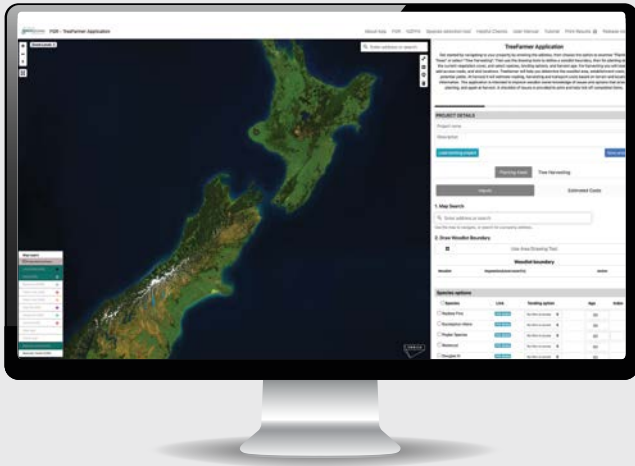
Pakuratahi Land Use Study

The Pakuratahi Land Use Study, a 12-year paired catchment study, was completed over 19 years ago. The study was originally commissioned to compare sediment discharge from rotation forests and pasture. The study has informed sector submissions and engagements with the government ever since.

With second rotation harvesting due in the next few years there is an opportunity to repeat the study using modern monitoring technologies and capturing a larger suite of environmental data. The study is a multi-year investigation set in the Hawke's Bay region, just north of the Esk Valley. An initial scoping and feasibility project was undertaken in 2022 and preliminary data collection and information review work was completed in 2023.

Wilding Tree Advocacy

Funding is utilised to undertake advocacy and engagement with the various wilding conifer fora that the Environment Committee engages with so the industry's perspective is represented. The subscription fee for the Wilding Pine Network (a wilding control advocacy group) is covered by the committee and funding support is given to committee members to present sector case studies at the annual WPN conference.



Treefarmer Web Tool

Small and Medium Enterprises

The Small and Medium Enterprises Committee (SMEC) serves small and medium forest owners' interests and directs FOA/NZFFA committees' attention to them.

There are around 200 large forest owners with more than 1000 ha, which are managed by professional managers. Another 1300 growers are estimated to each own between 100 and 1000 ha of forest. There are some 13,000 landowners with smaller forests, some of which are professionally managed. Around 14,000 small and medium (SME) forest growers manage or own in excess of 30 percent of the plantation forest estate.

The committee is chaired by the President of the NZFFA, and there are also larger forest manager representatives with significant woodlot programmes.

Treefarmer Web Tool (Harvest Planning Tool)

Treefarmer is an innovative prototype geospatial web tool to improve small scale grower harvesting, by raising awareness of harvesting issues and decisions with a checklist system. It explains rudimentary harvest planning while underpinning spatial information to drive costs down. Treefarmer helps the user determine their own woodlot area, establishment costs, and potential yields. At harvest it will estimate roading, harvesting and transport costs based on terrain and location information. Treefarmer also hosts the Geospatial Wind Risk Analysis tool.

Treefarmer was upgraded during 2023 to version 4.0 and now includes productivity mapping and growth modelling of nine species and converts standing volume to log grades at harvest. By applying log prices inputs, it can calculate woodlot revenues. Using the modelled harvesting and transport costs it now produces net revenues. Native species are now included to give estimated costs and yields.

Diversified and Alternative Species – Redwood and Eucalypt Seed Collection

There is a shortage of quality seeds for alternative species in New Zealand and imported seeds can often struggle in local conditions. The committee funded a project collecting Redwood and Eucalypt seed from trees in New Zealand, to assist with forest diversification and alternative species goals outlined in the Industry Transformation Plan (ITP). The work was co funded by the ITP and undertaken by Forest Growers Research.

A number of excellent coastal Redwood (*S. Sempervirens*) were identified for superior tree growth and wood quality characteristics across a range of sites nationwide. Trees were either climbed or seed was collected from ground nets. The seed will go to nurseries to establish trials and be marketed to redwood growers. Seed collected has produced more than 50,000 plantable seedlings and is likely to produce an estimated 85,000 seedlings in total.

Work has also started on Eucalypt seed collection to improve genetic characteristics. Seed collection is underway on a red gum hybrid of *E. Saligna* and *E. Botryoides* with nursery trials to follow. This project will be completed in 2024.

Around

14,000

small and medium (SME) forest growers manage or own in excess of 30 percent of the plantation forest estate



Applied R&D – extracting nutraceuticals from pine at ENZO in Taupō

Research, Science and Technology

Highlights

- Claire Stewart is the new Manager of the Precision Silviculture Programme (PSP) and Jason Syme joined the FGR board as a new director.
- The Tissue Culture Programme (TCP) is expanding its collaboration and technology opportunities, to strengthen its work in robotics, artificial intelligence and ex-vitro processes.
- The Automation and Robotics Programme (A&R) received approval for a two-year extension to December 2027 (no change in funding) to complete the development and commercialisation of exciting and valuable technologies, tools, and information.
- The Specialty Wood Products (SWP) programme completed the final projects in its portfolio after more than seven years of investment. A roundup forum was held in Christchurch.
- Fifteen projects on forestry diversification were successfully completed, with co-funding by the Industry Transformation Plan (ITP), Forest Growers Levy and industry.
- FGR delivered a 2023 Research Conference in Rotorua in September, with six deserving recipients receiving awards at the annual awards dinner.

Overview

Forest Growers Research (FGR) is the industry's research management company that coordinates the scoping, contracting, funding, delivery and dissemination of research and development programmes. Each year, more than 20 long-, medium- and short-term programmes and projects (Figure 1) are funded via the levy through direct government investment, and industry support. Following the annual call for research proposals for Forest Growers Levy funding, the Forest Research Committee (FRC) develops and recommends the R&D work programme to the Forest Growers Levy Trust (FGLT) for final approval.

The strategic framework for investment in forestry R&D is provided in the Science and Innovation Strategy core themes

- 1 Sustainable profitability of Radiata pine and Douglas-fir forestry
- 2 Emerging tree species
- 3 Defending and future proofing (Figure 2).

In 2023, approximately 60 percent of the FGL (\$5.4 million) was invested in research and development managed through FGR. When combined with co-funding from government and industry (cash and in-kind) the total investment was more than \$18.8 million. This was directed to projects across the value chain from genetics and advanced biotechnology, to nurseries, silviculture, forest health, harvesting and supply chain logistics. We also invested in improving our understanding of stand dynamics, wood properties, risk management and the environment.

60%

\$5.4 million of the levies, being 60% of the work programme, was invested in research and development

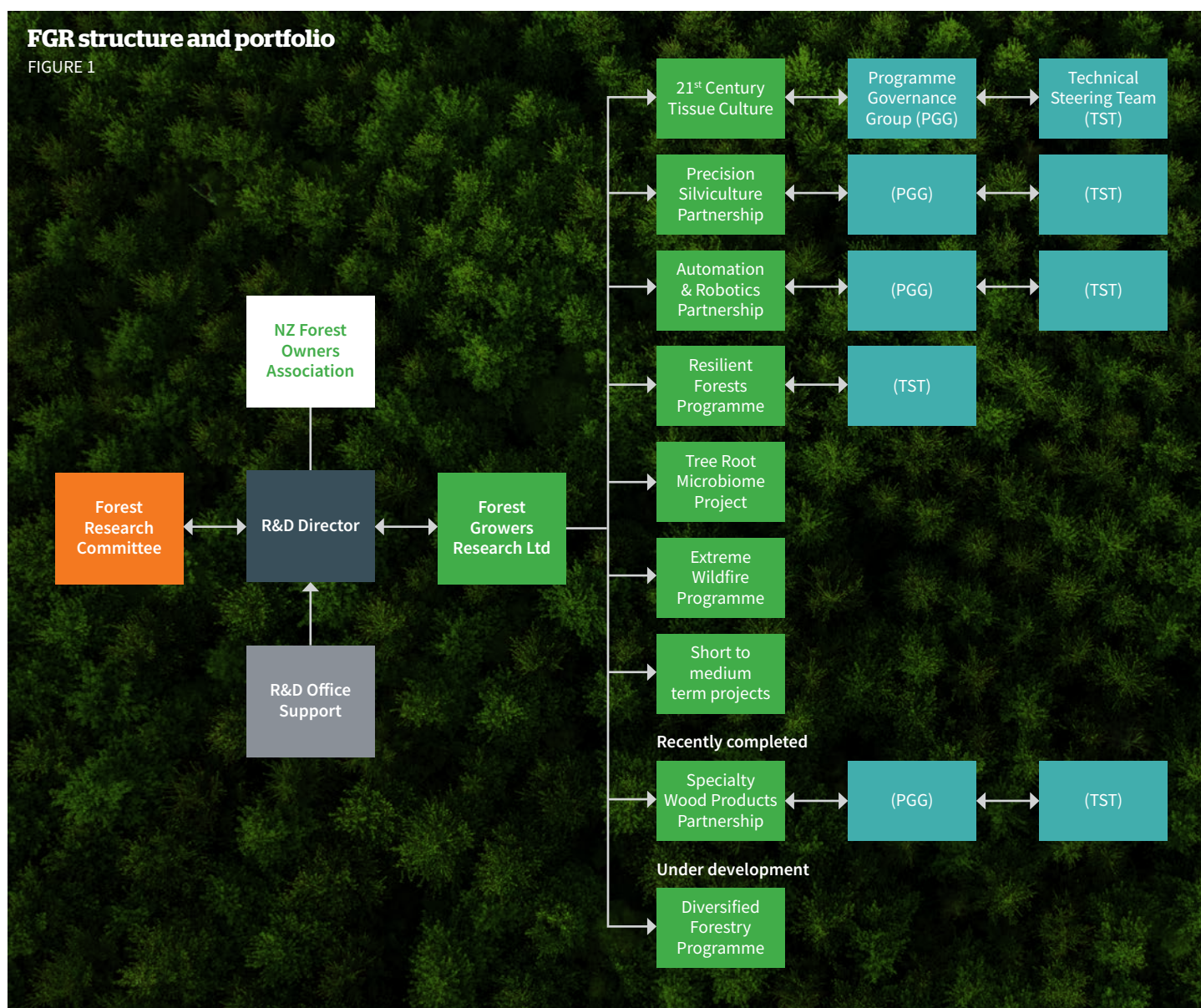
\$18.8m

Total investment in research and development with co-funding from government and industry

The FOA Secretariat assist in managing the FGLT work programme, including any joint projects with third parties.

FGR structure and portfolio

FIGURE 1



The three key science and innovation themes with indicative investment allocations

FIGURE 2



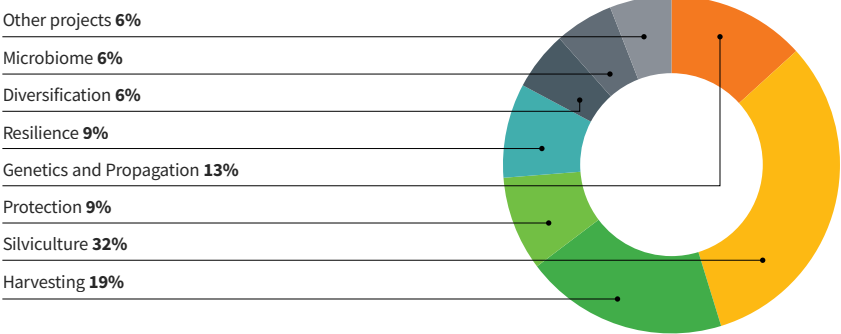
Good progress was made across the six long-term programmes during 2023, including in the Precision Silviculture Programme (PSP) which completed its first full year. The Automation and Robotics, 21st Century Tissue Culture Partnership and the Resilient Forests Programme continued into their 4th year of operation, while work on the Tree Root Microbiome, and Extreme Wildfire progressed into their 3rd year.

Seven smaller projects received funding, including the ongoing work on beneficial root endophytes (Trichoderma), quantifying genetic improvement, biosecurity risk evaluation, weed management, and the opportunities for AI using shared datasets.

The Specialty Wood Products (SWP) programme officially ended in December 2022 with several final projects being completed by mid-2023. This programme was rounded up with a research forum in July 2023. Parallel with this work, was the funding and management for fifteen small projects via the then being developed Industry Transformation Plan (ITP). At the same time work got underway to explore a new long-term diversified forestry research programme.

Percentage allocation of \$5.32 million of levy funds across the R&D portfolio in 2023

FIGURE 3



New programme manager and board director join the team



Claire Stewart

Jason Syme

In 2023, there were two additions to the FGR team. In June Claire Stewart joined as Programme Manager for the Precision Silviculture Programme, following the retirement of Dr Brian Richardson. In November, Jason Syme joined the FGR board as a director following the resignation of Brendan Slui. We thank both Brian and Brendan for their significant contributions to the management and governance of the research and development programmes.

Tissue Culture Techniques for 21st Century forests (TCP)



Dr Russell Burton, TCP Programme Manager

This programme is co-funded by MBIE. The 21st Century Tissue Culture Programme (Tissue Culture Partnership) continues to build a platform to expand the use of radiata pine varieties (clones) in commercial forestry. This is through the development of a somatic embryo genesis 'factory' for delivering elite germplasm to industry.

This research will transform commercial tree production in New Zealand, including increased planting varieties, with improved tree form, wood characteristics, disease resistance, and stand uniformity. To enhance uptake by industry, the production of plantlets needs to be achieved in a very cost-effective manner.

The 21st Century Tissue Culture Programme continues to build a platform to expand the use of radiata pine varieties

Work in the programme includes testing the performance of cell lines provided by industry in temporary immersion bioreactors and in new protocols in petri dishes. This is critical work in helping to secure our proof-of-concept for using a direct somatic embryogenesis (SE) approach – a disruptive approach for New Zealand industry targeting increased availability and reduced cost of varieties.

In March 2024, this Programme will transition to being managed by Alison Slade.

\$25.5m

MPI grant for the Precision
Silviculture Programme

Precision Silviculture Programme – Modernising Forestry in the Digital Era

The Precision Silviculture Programme (PSP) seven-year initiative, now in its second year, aims to transform practice through mechanisation, automation, and digitalisation, enhancing productivity, creating higher-value, safer jobs, and minimising environmental impact.

Funded by a \$25.5 million grant from the Ministry for Primary Industries, along with contributions from the FGL, fifteen forest companies, and various stakeholders, the PSP focuses on five workstreams: Nursery, Planting and Establishment, Pruning, Thinning, and Data and Māori Engagement.

Highlights include:

- **Nursery Innovations:** Development of a tree and box tracking app PlantIT, mechanising lifting of bare-root nursery stock, and AI-based automated seedling grading are all projects underway set to change nursery operations, plus research into autonomous stock monitoring and precision weed control.
- **Planting and Establishment:** Efforts to develop mechanised planting machinery and tools for precision planting and chemical reduction are in progress, including the adaptation of the Plantma-X mechanical planter for New Zealand conditions and UAV-based spot spraying for more efficient vegetation management.
- **Pruning and Thinning:** The programme is exploring battery-powered pruning tools and mechanical pruning machines to enhance safety and efficiency, alongside the evaluation of battery-powered chainsaws and new platforms like TreeTools to improve thinning operations.
- **Data and Engagement:** Focusing on implementing data standards and fostering engagement with Māori stakeholders, aiming to unlock the value of interconnected data and co-design innovative pathways that benefit Māori forestry interests.

Automation and Robotics Programme – Forestry Work in the Modern Age



Keith Raymond, A&R Programme Manager

The Automation and Robotics Programme is to counter the growing labour shortages in the sector, improve labour productivity, reduce harvest costs, and improve worker safety and environmental outcomes. This will be achieved through the design, development and commercialisation of innovative harvesting and log handling technology, with a strong emphasis on increased automation. This nine-year programme is led by a consortium of nine major forestry companies, 10 machinery manufacturing/engineering partners and is co-funded by the FGL and the Ministry for Primary Industries.



Steelwrist SQ80 on loading grapple

Achievements during 2023 include:

- An **Automatic Quick Coupler**, that enables the rapid changeover of machine attachments. A single base machine and operator can undertake multiple operations, which increases machine utilisation, and reduces harvesting costs. Attachments can be switched in a matter of minutes, avoiding lengthy delays of a manual changeover. The new Quick Coupler has been installed on a Sumitomo 300 base machine and is currently available for sale.
- An **Automated Tower Hauler and Grapple Carriage** has been designed and built to automate the skyline of the tower hauler. Rosewarne and May Ltd has developed an integrated grapple carriage and hauler control and this is undergoing further modifications. This increases the safety of cable logging as the automatic hauler control prevents overloading of the skyline and avoids damage to the grapple carriage.
- A **semi-automated in-field mobile debarker** for radiata pine has been developed in conjunction with Waratah NZ Ltd. Debarking is an acceptable alternative to the chemical fumigation of export logs for China. This reduces the use of ozone-depleting Methyl Bromide and is more environmentally friendly to port operators. The alpha prototype build of the debarker was completed prior to Christmas and testing at the Waratah test facility commenced in January 2024.
- **Improved residual biomass management** can be achieved using slash grapples designed for motorised grapple carriages and mechanical rope grapples on both tower haulers and swing yarders. Both these projects are in the design and build phase.
- **Automated Log Tagging and Tag Reading** using punch code technology designed by Otmetka AB, Sweden, will improve log tracking and traceability, and reduce bottlenecks at log-scaling stations and at ports. The alpha prototype log marker has been built and tested on a Woodsman log processor, and further developments are progressing. Pocket Solutions Ltd is developing technology to read the log mark using mobile technology.
- The **Automated Log Load Securing project** in collaboration with Trinder Engineering Ltd in Nelson has built a system to eliminate manual chain throwing and tensioning on logging trucks. The system comprises a Chain Thrower, an Auto Tensioner winch to maintain load tension; and a Load Monitoring System to provide in-cab monitoring of chain tensions and alert the driver to any load restraint issues.
- One project has been developing a tool to **measure log sweep** (the curvature of logs which is a key specification for high quality saw logs). This tool uses cameras on the grapple processor machine to capture live video of the logs during manufacture and calculates the sweep as a proportion of the log diameter using machine vision. The alpha prototype has been built and a field demonstration of the system was held in December 2023.

The Mid-term review in 2022 recommended projects on track should keep going, and projects impacted by problems or delays should either not proceed or require a review of timelines. A time extension of two years to December 2027 (no extra funding) was approved by MPI in 2023 and work is underway to reshape the work programme. This includes identifying replacement projects for those projects that were terminated. Much has been learned about value chain optimisation in this area and the Scion team is available to provide technical analysis using the ExtendSim Logistics Simulation Model.

Specialty Wood Products, Industry Transformation Plan (ITP) and forestry diversification



Marco Lausberg, SWP and ITP Programme Manager

The Specialty Wood Products Research Partnership (SWP) commenced in 2015 and was completed in Dec 2022. Strategies for the range of species are being implemented and the forward momentum from this programme continued into 2023. There have been many important outputs from this programme, including:

- Developing improved breeding stock of selected specialty species to overcome current wood quality and forest health issues.
- Transforming processing options for species other than radiata pine, namely, Douglas-fir, eucalypts and cypresses; this includes a 20-year Cypress Strategy.

- The SWP has identified and developed market sectors, including naturally durable timbers, engineered timbers (such as LVL and CLT), and high value applications that make the most of the attractive colours and grain of some specialty species.
- Ongoing development of a new naturally durable eucalypt resource; with the long-term vision to encourage regional investment in specialty species.
- Four regional business cases or strategies have been developed to identify implementation pathways for the outputs from the SWP.
- Over 150 technical reports have been produced, showing the clear wins beginning to emerge for all the species in the programme. Both small and largescale growers stand to benefit.

A final research report has been prepared (see FGR website).

Support from the Industry Transformation Plan (ITP)

During 2023, co-funding through the Industry Transformation Plan (ITP) delivered 15 projects on speciality species and diversification, and important gains and progress in seed collection, trial and growth plot measurements, elite tree selection, wood property testing, pest and disease management, and product development. In addition, studies identified the huge potential and value of a functioning forest bioeconomy in New Zealand, and the key factors currently driving timber imports and the barriers to using New Zealand grown timber supplies at scale. A final research report has been prepared (see FGR website).

Diversified forestry – the case for change

The case for the development of a new long-term research programme on forestry diversification was investigated and consultation with a wide range of industry stakeholders got underway in late 2023. This is continuing into 2024. The development of this new programme will require strong support from industry and government, to realise the potential that diversification within the forestry estate, in terms of management, systems and species, can deliver to the forest industry and the broader bioeconomy.

Other projects

Other projects supported by the levy in 2023 include the Resilient Forests Programme, a significant investment in the management of *P. radiata* risk and uncertainty, productivity, wood properties, resilience and forest health.

Further projects focused on forest health and biosecurity, including the Tree Root Microbiome Programme, Biotech-based Durable Resistance to Fungal Pathogens, Operations Disease Management, Biosecurity Risk Evaluation Framework (Phase 1), Pre-emptive biosecurity, bio-protection using *Trichoderma* root endophytes, and *P. radiata* growth-promoting microbes.

There were also projects to investigate Genetic Gain, Sustainable Forest Vegetation Management, and the opportunity for Unlocking AI (Artificial Intelligence) through shared datasets. There is also investment in the Extreme Wildfire Research programme.



Jodie Mason, Head of Research, Forest and Wood Products Australia, at the FGR conference

Annual Research Conference – Meeting the Challenge

The Forest Growers Research Conference was held in Rotorua in September 2023 with more than 120 attendees. The theme was: *Meeting the Challenge – Protecting and Enhancing the Environment through Sustainable Forestry* and we showcased research that is helping to protect and enhance the industry. There were more than 35 presentations delivered over two days, with the Awards night awarding six standout collaborators/researchers.

2023 Award winners

A highlight of the conference was the field day to the Kaingaroa estate, hosted by Timberlands Ltd.



Presentations and photos from the 2023 conference can be accessed on the FGR website: <https://fgr.nz/event/forest-growers-research-conference-2023-meeting-the-challenge>

Feedback from conference attendees was very good and FGR is now planning for the next conference which will be held in Dunedin from 22-24 October, 2024.



Interest in the large drone being developed with SPS Automation for operational herbicide application, FGR field trip, Kaingaroa forest, Rotorua (Sept 2023)

Award	Recipient
Communication & Sector Engagement	Robin Hartley, Scion
Innovation that Enhances Sector Value	Jared Silvester, Trinder Engineering
Science of International Quality	Tissue Culture team, Scion
Research Participation & Implementation	Sean Wright, Richard Airey, Peter Campbell, Pan Pac Forest Products Ltd
Contribution to Science Team	Rosie Sargent, Scion
Young Scientist	Sam Davidson, Scion



Biosecurity

Forest Biosecurity Surveillance

The Forest Biosecurity Surveillance (FBS) programme is now in its sixth year. The FBS is part of the wider Forest Biosecurity Surveillance System comprised of three active surveillance activities, general surveillance (i.e., reporting of the unusual by foresters) and underpinned by the Forest Health Diagnostics Service.

The surveillance system focuses on high-risk points of entry (i.e., ports, airports) for early detection, but also extends into higher risk plantation forests close to those points of entry, major road and rail corridors and other important plantation forest areas.

The FBS programme completed 92 percent of target surveys in 2023, with 900 diagnostic outcomes from 645 submitted samples. Of 52 significant finds, there was only one that met the requirement to notify Biosecurity New Zealand as a biosecurity threat, but this was ruled out.

The target was not achieved due to a quarter 4 decision to reprioritise surveillance effort for the remainder of the year toward survey transects containing Priority 1 (*Pinus radiata*) and Priority 2 (*Pseudotsuga menziesii*, *Tsuga* spp and other *Pinus* species) species. This is part of a strategy to work toward having 70 percent of inspected transects containing P1 and P2 species and ultimately provide greater confidence in surveillance outcomes.

FBS Model Improvement

2023 saw the implementation of the improvements made to the FBS model in 2022. This resulted in a slight shift and temporary reduction in surveillance effort to establish the new resulting survey locations.

This will address new risk pathways and potential spread of a pest or pathogen post establishment. Full surveillance will resume in 2024 as survey costs return to normal rates.

Plant Pass

Plant Pass is a voluntary certification scheme for plant producers that recognises good biosecurity practice and provides assurance for plant buyers. Plant producers and nurseries play a crucial role in New Zealand's biosecurity system and in protecting New Zealand's native and productive plants from pests and diseases which damage our plants, environment, economy, and culture.

Plant Partners (formerly the Plant Buyers Accord) sits alongside Plant Pass and serves as a way for plant buyers to join Plant Pass and signal their preference for their suppliers to register and work toward Plant Pass certification.

Plant Pass is a partnership between government and industry under the Government Industry Agreements (GIA). The plantation forestry sector has been instrumental in its initiation, development, and implementation.

Plant pass benefits the plantation forestry sector across non-forestry nursery pathways which could spread pests or pathogens of both commercial plantation species and native species.

If applied widely in the plantation forestry supply chain Plant Pass would provide greater confidence to forest owners, managers, and investors that the plants they are purchasing are grown under biosecurity best practice. Plant Pass will also reduce the pest and pathogen spread risk from nurseries into our forests, mitigating what is an ever-growing business risk.

As of June 2023, there were 74 registered nurseries and 18 certified nurseries.

No forest nurseries have joined Plant Pass. This is largely due to perceived concerns about the practicality and costs of applying the scheme. However, since its implementation, the programme has demonstrated its adaptability to a wide variety of nursery types and practices. It works proactively with nurseries to find practical solutions to enable better biosecurity outcomes and a pathway to certification.

The coming year will see a push for forest owners, managers, and investors to join Plant Partners and start to set expectations around improving biosecurity in the supply chain by encouraging nurseries to register and participate in Plant Pass.

Plant Pass and Plant Partners

More detail on Plant Pass and Plant Partners can be found here (www.plantpass.org.nz) or by contacting the FOA's Director Biosecurity and Risk.



Pest and Pathogen Fact Sheets

Forest Pest and Pathogen Fact Sheets

To improve biosecurity awareness, the Forest Biosecurity Committee, with funding by the Forest Growers Levy Trust, engaged Scion to expand its existing list of pest and pathogen fact sheets. There are now 18 fact sheets on the FOA's PineNet webpage (www.nzfoa.org.nz/pinenet) which include images and details on symptoms to look for, hosts, lifecycle and identification and testing.

Remember to report the unusual.

Pest and Pathogen Fact Sheets

Black-stain root disease
Brown spot needle blight
Common pine shoot beetle
Daño foliar del pino
Eastern five-spined bark beetle
European Pine Shoot Moth
Giant pine scale
Nun moth, or black arches
Pine pitch canker
Pine processionary moth
Pine wood nematode
Port-Orford-cedar root disease
Rapid 'Ōhi'a death
Red turpentine beetle
Spongy Moth
Sudden oak death
Totara blight
Western gall rust

Response Readiness

The Government Industry Agreement (GIA) continues to deliver benefit for the forest growing sector. GIA is an agreement between Biosecurity NZ and primary industries for joint decision making and funding for biosecurity readiness and response activities.

Surveillance: Biosecurity NZ currently contributes 50 percent toward the field surveillance and diagnostic components of the FBS programme.

Lepidoptera: The Lepidoptera Readiness Operational Agreement (OA) is a partnership signed between government, the plantation forestry sector and six other primary industry partners, to improve the response to an incursion of a significant lepidoptera pest.

The past 12 months saw significant progress made on the following projects:

- Bacillus thuringiensis availability and application
- Grouping Lepidoptera species for readiness and response planning
- Communications and engagement plan, and
- Terms of Reference to establish a Technical Advisory Group

Pest and Pathogen Literature Reviews

Progressing readiness can prove challenging with multiple parties due to competing pressures, priorities, and resources.

To fast track progressing some readiness work the Forest Biosecurity Committee engaged Scion to review literature across a few high priority pests and pathogens, to inform generic and specific response readiness planning.

Work has commenced on:

- Lecanosticta – utilising *Lecanosticta acicola* or brown spot needle blight as the model organism
 - Bark beetles – utilising *Ips grandicollis* as the model organism.
 - Pine wilt nematode and its vectors
 - A *Phytophthora* readiness manual developed for the Kiwifruit sector
- Biosecurity New Zealand are looking to progress themselves.

Dothistroma Control Committee

With the incredibly wet summer over 2022/23, Dothistroma and RNC infection levels were the highest for 20 years. This season, the area treated by the Committee was around 170,000 hectares in the North Island which is nearly three times the level of previous years.

Both diseases have been present in large numbers of stands and required treatment.

Sourcing sufficient copper and oil in a timely fashion was difficult, but there are now adequate stocks on hand, including a contingency for treating RNC should forest managers require this. Scion continues to refine their recommendations for the treatment of RNC with copper treatment in the same way as treatment of Dothistroma is applied.

Costs for copper and oil have reduced slightly from previous years.

The committee continues to fund research to improve spraying applications and products and has also run further training courses in Rotorua and Greymouth for forest managers to recognise and know how to assess Dothistroma.



Phytos

Phytos (previously STIMBR) completed its first year under its new name, website (www.phytos.co.nz), voluntary levy and vision. Forest Owners Association members will be aware that Phytos refreshed its purpose and strategic direction in 2022. The new vision “world leading phytosanitary market access solutions for sustainable wood fibre”, is a transition from its original focus on reducing methyl bromide (Mbr) use, to more broadly supporting and enhancing the forest industry’s phytosanitary treatment options.

The new strategy identifies three pillars;

- 1 Enhanced export market access
- 2 Coordinated trade advocacy and communications
- 3 Supporting industry phytosanitary access to new markets.

Phytos had a busy start to 2023 with the arrival of an Indian forestry delegation. Following a series of industry and government to government meetings, Phytos developed a recommencement plan for New Zealand logs to India that promotes three new phytosanitary pathways.

These are;

- 1 Safe pathways – using phosphine,
- 2 Mbr on arrival and
- 3 EDN.

In August, Phytos and the FOA were represented as part of a New Zealand trade delegation to India where the then Trade Minister Damien O’Connor presented the safe pathways proposal to Indian Minister of Commerce and Industry, Piyush Goyal. Towards the end of 2023 the first vessel (in hold only) discharged in India under the Mbr on-arrival pathway.

Phytos, FOA and the WPMA are working with government to develop an agenda for a forestry specific trade delegation to India during 2024.

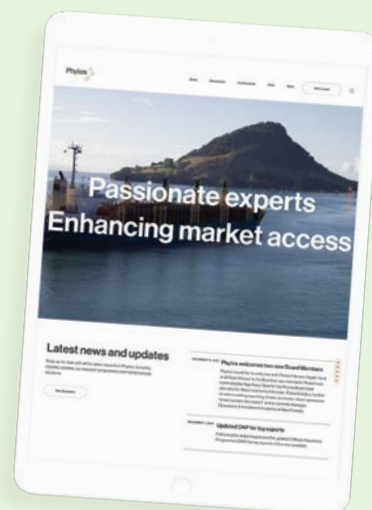
Phytos was also heavily involved in a government/industry response to Chinese government concerns about an increase in pest interceptions and the use of debarking. The joint solution involved quantitative and qualitative auditing, engagement with debarking operators, incremental changes to MPI’s OAP (Official Assurance Programme) and the development of an industry quality assurance system across debarking assets in New Zealand. Phytos and MPI are also working with the Chinese government to progress two objectives as part of the methyl bromide reduction working group (MBRWG). The group aims to reduce Mbr dosage rates and gain approval for the use of EDN on logs to China. Phytos and MPI met Chinese officials in late 2023 with further discussions scheduled during 2024.

Phytos continues to support the commercial development of EDN in New Zealand and its approval by key trading partners, China and India. EDN ‘logs in container’ trials have been proposed with India. EDN manufacturer Draslovka are also seeking EPA approval to trial the use of EDN on logs in ship holds in New Zealand.

Phytos intends to progress conversations with the industry on its ‘log export contingency planning’ initiative. This work seeks to define risks to New Zealand’s log exports, procedures to guide a response to defined risks, response related roles and responsibilities, and potential testing and review protocols.

Phytos Board

The Phytos Board consists of an Independent Chair (Don Hammond) and representatives from NZFOA (Brendan Gould), Māori economic interests (Robert Henare – Antipodes Timber), a forest owner who exports (Hazel Honour – New Forests) and three log exporters (John Gardner – PFP, Mark Procter – TPT and Kerry Ellem – AVA Timber).





Waikato dairy farmer Peter Lansdaal shows off his wood chip calf beds

Promotions

The primary function of Promotions is to deliver and maintain social licence for the industry, and as such becomes a subset of operational licence for the industry participants to carry out their forest and processing operations with a minimum of unreasonable governmental restriction and interference.

The persistently hostile mainstream media coverage of the damage caused by Cyclone Gabrielle in February flowed through to the rest of the year. 'Forest slash' became a new entrant in the lexicon of reporters trying to summarise all the complexities of a fragile terrain, land use economics and climate change into pointing to the bad guys and their trees.

An agreement between the Wood Councils and a now expanded FOA Communications section will mean that the inadequate flow of information useful for the media, which emerged from cyclone hit Tairāwhiti in 2023, is much less likely to occur again with on-the-spot FOA comms presence in a similar emergency in the future.

The annual Key Research public opinion survey measured a 3 percent fall in public support for the forest industry last year, though it was the first recorded time where the view of the public was that we ranked below both the dairy and sheep and beef industries.

Half of the respondents blamed 'forest slash' as the main cause of damage during Cyclone Gabrielle.



FOA CE David Rhodes demonstrates recreation biking in pine forests

Wood our low carbon future

This joint campaign with Te Uru Rākau was launched in late 2022 and resumed in mid-2023. The campaign focused on the longer-term promotion of forests and wood materials, primarily as a means of meeting climate change commitments, through sequestration and the adoption of new wood-based technologies, ranging from modern engineered timber to biotechnology.

The relationship and cooperation between the FOA delivery of the campaign and our TUR partners in this must be cited as excellent and a testament to the support given to the industry in TUR.

The campaign was delivered over a range of media platforms, with our Key Research Annual Survey reporting 11 percent of its respondents had seen at least something of the campaign.

Notably our paid-for on-line editorial copy in the New Zealand Herald was recorded as receiving a high rate of reader interest, pointing to a public interest in the forest industry story.

The campaign received the 2023 award for the Outstanding agricultural communications project, from the NZ Guild of Agricultural Journalists and Communicators in November.



Forestry Minister Peeni Henare opens the 2023 Mystery Creek Forestry Hub in June

Mystery Creek National Fieldays

The second ever Forestry Hub was present at the June 2023 Fieldays, following the inaugural presence in November/December 2022 which was received exceptionally well by the industry, officials and the Fieldays Society alike. No other part of the primary sector has any display like the Forestry Hub.

In 2023 the scope of the Hub was expanded to include industry debates and workshops, which could have attracted larger audiences and more promotions of these events within the Hub is planned for 2024.

A special display was mounted in the Hub to explain what really happened in Tairāwhiti and Hawke's Bay because of Cyclone Gabrielle. The display attracted a lot of visitors' attention, and the accompanying give-away booklet was also popular.

Timberlands hosted an evening function at the Hub and have agreed to contribute to a similar event in 2024.

In 2024 the Hub will again be at Mystery Creek as a joint venture with TUR and continue with the Wood our low carbon future branding. TUR manages the event with participation from an Advisory Committee, including FOA, FFA and Scion, with a hugely valuable contribution from Red Stag for the previous Hubs.

Love our Forests

With the end of TUR funding for the Wood our low carbon future campaign, the previous Love our forest promotion campaign, was revived in late 2023 and will continue to represent the forest sector's interests through 2024.

This will allow sharper industry messaging, including that directed against egregious government policies, which was not possible to deliver in the joint venture Wood our low carbon future campaign.



Emily Pope joined FOA from Horticulture New Zealand in 2023 as Senior Communications Advisor



In 2024 the Hub will again be at Mystery Creek as a joint venture with TUR and continue with the Wood our low carbon future branding.

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INDEPENDENT AUDITOR'S REPORT

To the Members of NZ Forest Owners Association Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NZ Forest Owners Association Incorporated ('the Society') on pages 28 to 32, which comprise the statement of financial position as at 31 December 2023, and the statement of financial performance and statement of movements in funds for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2023, and its financial performance for the year then ended in accordance with the Tax Administration (Financial Statements) Order 2014.

Our report is made solely to the Members of the Society. Our audit work has been undertaken so that we might state to the Members of the Society those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Society as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor, we have no interests in or relationship with the Society. Another firm in our network carries out taxation compliance services for NZ Forest Owners Association Incorporated. Appropriate risk mitigation arrangements have been put in place so that provision of these other services has not impaired our independence.

Emphasis of Matter – Special purpose accounting framework

We draw attention to the statement of accounting policies on page 30, which describes the basis of accounting. The financial statements are prepared for tax purposes in accordance with a special purpose framework (the Tax Administration (Financial Statements) Order 2014). As a result, the financial statements may not be suitable for another purpose and our report should not be distributed to parties other than the Society or the Members. Our opinion is not modified in respect of this matter.

Responsibilities of the Executive Council for the Financial Statements

The Executive Council is responsible on behalf of the Society for the preparation and fair presentation of the financial statements in accordance with the Tax Administration (Financial Statements) Order 2014, and for such internal control as the Executive Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Council is responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Wellington, New Zealand

15 March 2024

Statement of Financial Performance

For the year ended 31 December 2023

	for the year ended 31 December 2023 \$	for the year ended 31 December 2022 \$
Income		
Forest Growers Levy Trust Management Fee	1,732,911	1,491,278
Forest Growers Levy Trust Secretariat Fee	95,000	95,000
Contributions to Joint Projects	0	367,463
Interest	33,488	11,783
Occupancy & Staff Recovery	53,669	51,898
Subscriptions	184,865	186,805
Other Income	12,299	13,174
Total Income	2,112,232	2,217,401
Less Expenditure		
Operating		
Staff	1,603,561	1,412,412
Rent & Shared Occupancy Expenses	175,096	148,073
Professional Development & Resources	16,337	8,533
Phones & Internet	10,069	8,446
Stationery & Printing	14,502	15,837
General Office Expenses	808	2,798
Repairs & Maintenance for Premises & Equipment	34,496	30,463
Travel & Meeting Costs	167,918	108,149
Depreciation & Loss on Disposal	11,353	11,820
	2,034,140	1,746,531
FOA Activities – Activities Funded by Members and Third Parties		
Communication	21,400	26,284
AGM	7,896	7,747
Projects Funded by Members & Third Parties	0	367,463
Conferences & Workshops	10,262	5,391
Legal	25,625	977
Audit Fees	7,040	6,840
Other	12,097	14,984
	84,320	429,686
Total Expenditure	2,118,460	2,176,217
Surplus (Deficit) before Tax	(6,228)	41,184
Less Income Tax on Interest Received	9,097	3,019
Net Surplus (Deficit) after Tax	(15,325)	38,165
Comprising:		
Surplus (Deficit) transferred to General Fund	(15,325)	38,165
	(15,325)	38,165

The notes to the Financial Statements form part of and are to be read in conjunction with these accounts.

Statement of Movements in Funds for the year ended 31 December 2023

	for the year ended 31 December 2023 \$	for the year ended 31 December 2022 \$
General Fund		
Balance brought forward from previous year	1,218,689	1,180,524
Surplus (Deficit) for the year	(15,325)	38,165
Balance carried forward	1,203,364	1,218,689

Statement of Financial Position at 31 December 2023

	Note	at 31 December 2023 \$	at 31 December 2022 \$
Current Assets			
Cash & Cash Equivalents		1,001,990	1,168,619
Accrued Income		28,919	29,936
Accounts Receivable & Prepayments		497,257	404,736
		1,528,166	1,603,291
Current Liabilities			
Accounts Payable & Funds held for Other Groups	6	259,608	376,687
Income Received in Advance		21,746	0
Lease Incentive Liability (current)		7,067	0
Income Tax	4	9,097	3,019
GST		48,996	32,721
		346,514	412,427
Non-current Assets			
Fixed Assets	2	32,901	27,825
		32,901	27,825
Non-current Liabilities			
Lease Incentive Liability		11,189	0
		11,189	0
Net Assets		1,203,364	1,218,689
Association Funds			
General Fund		1,203,364	1,218,689
Total Funds		1,203,364	1,218,689

The notes to the Financial Statements form part of and are to be read in conjunction with these accounts.



Grant Dodson – Chairman
15 March 2024



Elizabeth Heeg – Chief Executive
15 March 2024

NZ Forest Owners Association Inc.

Notes to the Financial Statements for the year ended 31 December 2023

1. Statement of General Accounting Policies

Reporting Entity

NZ Forest Owners Association (FOA) is an incorporated society registered under the Incorporated Societies Act 1908.

These financial statements are special purpose financial statements and have been prepared in accordance with the Tax Administration (Financial Statements) Order 2014.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed in these financial statements.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Accounts Receivable

Accounts receivable are valued at expected realisable value.

Fixed Assets and Depreciation

Fixed assets are recorded at cost less accumulated depreciation. Furniture and office equipment have been depreciated on a diminishing value basis between 8.5% and 67%.

Taxation

FOA is a not-for-profit organisation for the purposes of the Income Tax Act 2007. It is consequently eligible for a standard expense deduction of \$1,000.

Goods and Services Tax

These statements are prepared on a GST exclusive basis except for accounts receivable and payable which are inclusive of GST.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Subscriptions from members are recognised in the year to which the fees relate.

Interest revenue is recognised as it accrues, using the effective interest method.

There has been a change in the revenue and expenses of joint projects with third parties. Up until the end of last year, 31 December 2022, the revenue from and the expenses related to the joint projects went through FOA. This year both the revenue and the expenses are recorded in FGLT to match the other work programme projects funded by the FGLT levy.

Cash & Cash Equivalents

Cash and cash equivalents include the current account, savings accounts with banks and term deposits of up to 90-day duration.

Forest Growers Research Limited

NZ Forest Owners Association Inc acts as trustee of 100% of the issued shares in Forest Growers Research Ltd. The Association's investment in Forest Growers Research Ltd is held at its cost of \$nil (2022: \$nil).

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied consistently to all periods presented in these financial statements.

2. Fixed Assets

31.12.2023	At Cost	Accumulated Depreciation	Current Year Depreciation	Book Value Year End
Furniture & Equipment	\$87,460	\$54,559	\$9,972	\$32,901
31.12.2022	At Cost	Accumulated Depreciation	Current Year Depreciation	Book Value Year End
Furniture & Equipment	\$80,940	\$53,115	\$11,769	\$27,825

3. Rent

There is a new lease agreement in place for three years from 1 August 2023. Two months' free rent was offered upon signing the agreement, which is amortised over the term of the lease.

4. Income Tax

	31.12.2023 \$	31.12.2022 \$
Interest Income	33,488	11,782
Less Exemption	(1,000)	(1,000)
Taxable Income	32,488	10,782
Tax at Current Tax Rates	9,097	3,019
Prior year Tax Due/(Refund)	3,019	(2,501)
Less:		
Tax Refunded/(Paid)	(3,019)	2,501
Tax Payable (Refund Due)	9,097	3,019

5. Contingent Liabilities

There are no known contingent liabilities (31 December 2022: Nil).

6. Accounts Payable & Accrued Expenses

	31.12.2023	31.12.2022
Accounts Payable	108,836	121,605
Accrued Expenses	103,950	208,336
Wages Deductions Payable	46,822	46,746
	259,608	376,687

7. Commitments (GST exclusive amounts)

31.12.2023	< 1 year	> 1 year	Total
Operating Commitments			
Rent – 93 The Terrace	\$127,200	\$201,400	\$328,600
Rent – Rotorua Branch	\$51,918	\$0	\$51,918
Photocopier	\$5,716	\$11,908	\$17,624
31.12.2022	< 1 year	> 1 year	Total
Operating Commitments			
Rent – 93 The Terrace	\$63,199	\$0	\$63,199
Photocopier	\$5,240	\$16,671	\$21,911

Capital Commitments: There were no known capital commitments at balance date (31 December 2022: Nil).

8. Credit Facilities

At balance date the FOA had available for its use BNZ Visa business cards. The limit on this facility was \$40,000. This was not fully utilised at balance date.

9. Related Parties

Most members of the Dothistroma Control Committee are members of FOA. The activity of the Committee is not included in these financial statements. The net effect on the financial position of FOA is Nil.

During the year FOA loaned funds to Dothistroma Control Committee totalling \$647,000 all of which had been repaid by the balance date. Interest of \$14,482 was paid on the loans. FOA staff is provided at a cost of \$5,000 to support Dothistroma with office management and accounting services, with \$3,750 outstanding as accounts receivable at year end.

FOA manages the Work Programme approved by the Forest Growers Levy Trust (FGLT) Board incurring expenditure on behalf of FGLT. All expenditure incurred has been repaid by FGLT except for the amount of \$78,984 outstanding as accounts receivable at year end.

FOA charged FGLT a secretariat fee of \$95,000 and a management fee of \$1,733,471 during the year under the Levy Services Agreement. All amounts have been paid by FGLT except for the combined amount of \$317,819 outstanding as accounts receivable at year end.

FOA and Forest Industry Safety Council Trust (FISC) have members of key management personnel in common. FISC manages the Health & Safety section of the Work Programme approved by FGLT. During the year FISC received no funding from FOA.

FOA staff is provided at a cost of \$5,000 to support FISC with office management and accounting services, with \$2,500 outstanding as accounts receivable at year end.

In November 2017 FISC relocated its offices to Level 9, 93 The Terrace where FOA is the main tenant. During 2023 FOA charged FISC for rent and related occupancy expenses \$30,000 in cost recovery. All expenditure incurred has been repaid by FISC except for the amount of \$1,597 outstanding as accounts receivable at year end.

FOA and Forest Growers Research Limited (FGR) have members of key management personnel in common. FGR manages the research section of the Work Programme approved by FGLT. During the year FGR received no funding from FOA.

The Executive Council is made up of management employees from a few forest owning organisations, those organisations also pay a subscription to FOA charged at a flat fee of \$0.15/ha. In addition, there were voluntary contributions from members, some with management employees on the Executive Council, towards judicial review invoices challenging the ETS costs charged for running the scheme.

10. Events Subsequent to Balance Date

There were no events that have occurred after balance date that would have a material impact on the Financial Statements (2022: Nil).

Executive Council and FOA Staff



Grant Dodson
City Forests



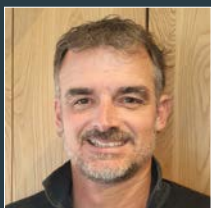
Tim Sandall
Pan Pac



Bert Hughes
Forest Enterprises



Sean McBride
Juken New Zealand



Marcus Musson
Forest 360



Steve Chandler
Tasman Pine Forests



Jason Syme
Rayonier Matariki



Rowan Struthers
China Forestry Group



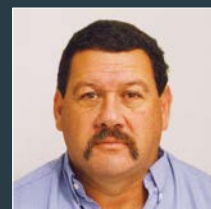
Phil Taylor
Port Blakely



Matthew Wakelin
New Forests



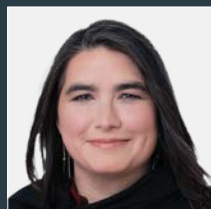
Chris Barnes
Manulife



Dean Witehira
Timberlands



David Rhodes
Chief Executive
to July 2023



Elizabeth Heeg
Chief Executive
from August 2023



Glen Mackie
Technical Manager
to June 2023



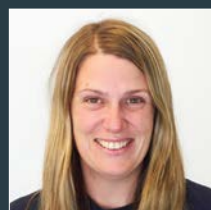
Rosemary McFadyen
Office Manager



Jeff Drinkwater
Accountant



Don Carson
Communications Manager



Rachel Millar
Environment Manager



Brendan Gould
Biosecurity Manager



Paul Adams
R&D Manager



Joseph Brolly
Chief Operating Officer
from November 2023



Emily Pope
Senior Comms Advisor
from May 2023



Amanda Brake
Office Manager (Rotorua)



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