



## Hawkes Bay Forestry Group

### **HAWKES BAY FORESTRY GROUP**

### **2019/20 FY YEAR IN OUTLINE**

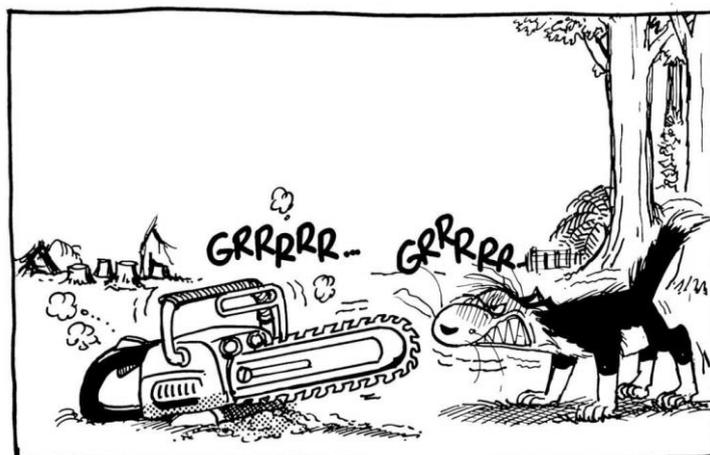
#### **1. Overview**

This report highlights the work undertaken by the Group over the financial year (FY) 2019/20. HBFG was incorporated on 22 September 2015, meaning we have been operational for nearly five years.

The year started well with lofty log prices and receding concerns relating to loss of farmland to forestry and beaches to wood-debris. Tolaga Bay was becoming old news and whilst the 'Fifty Shades of Green' movement was still very alive; positive forestry business metrics were self-evident and convincing. People were making money and the economy was thriving, with forestry poised to become our second biggest export earner. A fitting platform for our inaugural forest industry award evening on 29 November. That further added buoyancy and in the days that followed, we bathed in the sunshine that comes with a certainty that that we are doing something good.

But, as it does, optimism started to fray against a sliding log market. China was on break and log inventories oversupplied due to an influx of insect damaged European wood and bush salvage from the Australia wildfires. We were down and then almost taken out by COVID-19 (C-19) which wafted by late February. The pandemic peaked in early April and few have been spared its impacts. While the corporates held virtual office, contractors closed against lock-down protocols. An institutional hibernation followed. While we are not out of the woods yet, most people are back at work. C-19 is still around but we like to think that forestry in the Bay has survived.

Still, it is so that many of the good things we planned for the first half of 2020 were cancelled.



## 2. Corporate framework

### Membership

The year brought 3 changes in HBFG membership: PF Olsen Ltd and IFS Growth both left, while John Turkington Ltd, joined the Group. The present membership comprises the following 10 members, all of whom have significant forest responsibility in the region:

*Managing over  
10,000 ha forest*



*Managing 5,000 -  
10,000 ha forest*



*Managing less  
than 5,000 ha  
forest*



### Governance

The 2018/19 AGM held on 18 July 2019 agreed to reform the HBFG Committee as follows:

- |                 |                     |
|-----------------|---------------------|
| • Matthew Croft | Chair               |
| • Steve Bell    | Deputy Chair        |
| • Keith Dolman  | Secretary/Treasurer |
| • Tim Sandall   | Committee           |
| • Ben Douglas   | Committee           |
| • Dylan Foster  | Committee           |
| • Jackie Egan   | Committee           |

### 3. Significant calendar events FY 2019/20

2019	April	Meeting with Wairoa District Council at Pan Pac (03/04/19) Meeting HBFG Environmental Working Group (30/04/19)	
	May	Careers Expo Pettigrew Arena (20-21/05/19)	
	June	Meeting HBFG Environmental Working Group (11/06/19) Joint Wood Council Meeting Wellington (12/06/19) Opening Napier/Wairoa Rail line (14/06/19) Full page HBFG Editorial/Advertisement in HB Today newspaper	
	July	HBFG AGM and General Meeting (23/07/19) HB Bay Primary Producers Round Table meeting (30/07/19)	
	August	Establishment of Awards Committee (05/08/19) Meeting HBFG Environmental Working Group (13/08/19)	
	September	Planning meeting ahead of HBFG Chair's leave (02/09/19) HBFG General Meeting (11/09/19) HB Speedmeet Day / Hastings Boys High School (12/09/19) Safetree custom Training for Contractors (23-24/09/19)	
	October	Meeting HBFG Environmental Working Group (15/10/19) Forest Industry Award Judging (29/10/19)	
	November	CATE Conference, Napier (19-21/11/19) Joint Wood Council Meeting Wellington (27/10/19) HBFG / MOE Hui / catchup meeting (28/11/19) HB Forest Industry Awards Dinner (29/11/19)	
	December	HBFG General Meeting (04/12/19) Awards Evening meeting / de-brief (11/12/19)	
	2020	March	Meeting in Wairoa on rates policy review (2/03/20) Zoom HBFG General Meeting (04/03/20)



*HBFG promotes well-managed plantation forestry in Hawkes Bay*

#### 4. What is HBFG trying to achieve?

We operate at a time of a hyped public interest in landuse buttressed by a 24/7 media coverage thirsty for headline news. And there are genuine concerns. But so too are there significant positives in forestry which may not be realised without public belief. We need a balanced regulatory hand and best ensuring this is the primary work of the HBFG.

It follows that HBFG recognises three priorities:

- **Promoting awareness of how forestry supports social, economic and environmental health in the bay.** We seek this through dialogue, understanding and collaboration with councils and communities.
- **Encouraging more people to want to work in forestry.** We erase entrenched bias against forestry work and promote its ample and diverse opportunities.
- **Seeking improvement in forestry's environmental performance.** We recognise shortcomings and bring expert knowledge, local context and balance to policy and regulatory change.

The above are key, we think, to securing our social license to practice forestry in the Bay.

#### 5. Work Priorities

Promoting awareness of how forestry supports social, economic and environmental health

- Plans for field day outs for HBRC, WDC and the Primary Producers Group were scuttled by C-19. Ditto for the annual Careers expo.
- On 14 June, HBFG was on a train to Wairoa. This line was damaged by a storm in 2012 and then mothballed. A start was made with some logs taking the ride to Napier port before C-19 closed the industry down.

What happens next depends on Kiwi Rail's capacity to make log transport cost-effective



*KiwiRail envisages this line logs taking up to 5,714 trucks a year off the road and reducing carbon emissions by 1300 tonnes.*

- The 'Fifty Shades of Green' campaign gained momentum with WDC front-footing the concern for loss of farmland to blanket tree planting. Government's Billion Trees campaign and climate change policies are seen by some to confer unfair advantage. This position, they say, is exacerbated by new environmental compliance costs which are eroding profitability of sheep and beef farming. All this has generated a stream of requests, many through our website, for forestry's positioning.

- HBFG prepared full page newspaper features (editorial and advertisement) in June 19 and February 20 in the HB Today newspaper. These addressed the concerns around loss of farmland to forestry, offsite wood debris flows, foreign ownership, and carbon farming, all being drivers of the anti-forestry space. Key points included:
  - Government policy will ultimately determine how many trees are planted.
  - The result of the present wave of freshwater reforms, threat of synthetic meat and more climate change induced droughts, will mean costs will outstrip returns for many sheep and beef hill country farms in the long term.
  - As for foreign ownership, most sales over the past year have been of existing forests between different overseas companies.
  - No HBFG members manage forests just for carbon returns

- A July 19 meeting of the HB Primary Producers Round Table was bigger than usual, with inclusion of civic leaders and top executives of HBRC, MPI and Te Uru Rakau. The idea was to see how we can work together to support each other through C-19 and the North Island drought.



*HBFG was one of a small group asked to present to national governance bodies on the impacts of C-19 and the drought*

- On 29 November we held HB's inaugural forest industry awards. Management was contracted out to Public Impressions and feedback was very positive. Forty-seven people were nominated for 15 award categories. The evening was followed with a 14-page newspaper supplement which held forestry as integral to HB's social, economic, and environmental well-being. The event was self-funding from sponsorship and dinner ticket sales



*Keri Elliot of Elliott Logging Ltd was a popular winner of the supreme award of "Skilled Professional of the Year"*

- On 1 April, the HBFG CE presented to a group of 30 Asia and Pacific government officials studying governance at the Eastern Institute of Technology (Taradale). Feedback from the international visitors and attending EIT staff was highly appreciative. We have subsequently received a request to do this again

## Encouraging more people to want to work in forestry

- Over three days in late November HBFG fronted a display booth at the CATE conference. With an audience of 500+ school career advisers, this was an exceptional opportunity to change perceptions of forestry in a group that has been considered less-than helpful. Our panellist (Luke Williams, of FMNZ) provided an formative insight on his journey through the labyrinth of choices leading to a happy place in forestry.



*CATE provided an upbeat opportunity to improve the way career advisers nationwide view forestry work*

- In September, HBFG attended the Speedmeet in Hastings Boy's High School. This event provides a rapid-fire introduction to career opportunities for students considering leaving school. It focuses on apprenticeships and trades. Significant employers in the Bay attended, including the emergency and armed services, teaching and training bodies and the primary sector.



*Tom Arnold (Pan Pac) supported the HBFG desk at this year's Speedmeet ~ nearly all schools in HB attended*

- C-19 again scuttled the planned Inzone Bus visits to Hawkes Bay HB schools (now reset for July 2020).
- The pandemic also delayed installation of the HBFG funded Careers Kiosk (a mobile form of the interactive computer system featured on the Inzone Bus). The kiosk was set up at the end of lockdown and we gather has since been well patronized. This investment has been very much appreciated.



*HBFG funding of a Kiosk at Napier Boys seeded like-initiatives elsewhere*

## Seeking improvement in forestry's environmental performance

- The HBFG Environment Working Group (EWG) expanded its mandate to cover all things environmental. Membership too was enriched with representation from John Turkington Ltd. This group meets regularly and comprises the following members:

Jo Field (chair)	Pan Pac
Andy Fleming / Kelsey Tills	RMF
Jacqui Egan	NZFM
Mark Roper	FMNZ
Graham Douglas	JNL
Stephen Sykes / Paul Barret	HBRC
Myles Guy	JTL
Keith Dolman	HBFG

- **Policy change for Outstanding Water Bodies (OWB) –Plan change 7 (P-7)**

- Late 2019 HBFG contracted a legal service to assist our submission on P-7. We agreed that member companies intending to submit may adapt this template having regard to perceived values attached to the water bodies in their sphere of management influence. From the bulk submission, they could either pick and choose the relevant points to submit under their company letterhead or use the same HBFG submission, including relevant maps with each individual company submission
- The HBFG submission recognised that P-7 has a fundamental flaw in that it proposes to identify both certain coastal waters and freshwater as outstanding water bodies. We noted that some provisions for coastal water are included under headings that relate to freshwater. We opposed the mixing of the different RMA powers on account that this has led to the confusing identification of “outstanding” and “significant” values for both freshwater and coastal water. Having noted the high bar that the RMA applies to protecting outstanding freshwater bodies and suggested that it is not appropriate to apply the classification to the entire river. There should be more particular identification of the areas that are outstanding. We asked to consider splitting the river up having clearly identified the various areas of outstanding values.

- **National Policy Statement for Indigenous Biodiversity (NPS-IB)**

- In March 20 we were alerted to an aggressive campaign by Forest & Bird for a policy that will safeguard native birds, bats, frogs, and lizards on private and public land. Particularly concerning was the reference to mobile fauna and the call for public conservation land to automatically have the status of a Significant Natural Area (SNA).
- With little time to spare we prepared a submission on proposed NPS-IB. Having noted that forestry prides itself on being environmentally responsible, we asked that NPS-IB be substantially amended on account that in its current form it will result in unnecessary

additional costs without achieving material gains in maintaining indigenous biodiversity within plantation forest. We noted ambiguity and potential problems in other parts of the NPS-IB, including the intention that plantation forest containing SNA's are deemed to be "plantation forest biodiversity areas".

#### ▪ **Communication and relationship with Councils**

- An effective working relationship with the regional and unitary councils is a highly regarded objective. As indicated above, the principal regulator (HBRC) is fully represented on our Environment Working Group and subject to the limitations of C-19, this engagement has been busy, constructive, and cordial
- This has included mutually supportive exchanges on compliance monitoring of the NES-PF regulation. HBFG also assisted HBRC prepare a brochure that will be distributed to landowners to help them understand their responsibilities under the NES-PF.
- A positive meeting with the Wairoa District Council in April 19 at Pan Pac seemed to clear any perceived resistance to a joint review of the Opus Report (Opus having guided WDC's rate policy change that doubled the land rates for plantation forestry). Still, little happened until a meeting on 2 March in Wairoa which agreed on composition of the review committee. A first meeting date was set, however again C-19 got in the way.
- In 2005 a meeting of the forest industry Transport Committee led to a project to identify roading priorities by district to assist the case for regional development funds and to collect better data to improve model predictions. Getting roading / transport costs down was a cross-cutting objective. SCION was contracted (FGLT funding) and HB selected as a pilot study area. We now have a useful product to share with councils and on which to have a more data-based discussion of road use over the coming decade. The output is a simple model of age class harvesting at age 26. It highlights where the challenges are likely to come and should provide council with an indication of whether existing budgets are appropriate for the coming years. In March we offered this model to WDC, they were keen however again C-19 has got in the way of delivery.

## **6. Financial Report**

A full financial report for the year is provided under separate cover.

### **Prepared by**

Keith Dolman, CEO

26 July 2020