



Annual Monitoring Review Whanganui Estate

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Introduction

SFNZ was established in 2013 and has maintained Forest Stewardship Council® (FSC®) FSC-C112972 certification since Juken New Zealand Limited original assessment in 2008. FSC is an international certification for companies who can demonstrate that they have a good record of environmental management. There are 10 principles covering responsible management of the resource, the environment, people and communities. This Annual Monitoring Review provides a summary of forest operations for the past 12 months and is available on request and is also publicly available on the Summit Forests web site <https://www.summitforests.co.nz/>.

SFNZ purchased the former Whanganui District Council estate in 2018 which has an area of approximately 1,230 hectares. The estate consists of four forests: Te Ara To Waka, Tauwhare, McNabs and Sicelys.

The Eastland and Whanganui Forest Manager; based in the Gisborne Office, is responsible for ensuring that all tasks are completed in line with company processes. The day-to-day operations of Whanganui Estate is contracted to Forest Management New Zealand Limited (FMNZ), based in Whanganui. Contractors carry out harvesting operations, road construction and maintenance, silviculture, and land preparation. SFNZ currently employs 20 contract workers in the Whanganui Region.

Forest Description

Inventory

No inventory has completed in the past 12 months.

Age class distribution

The estate has an uneven age class distribution (figure 1) with two clear aggregations of area in the mature age class and younger classes. Harvesting is expected to be completed by the end of 2021 and there will be gap until the next crop is available for harvest starting in 2031.

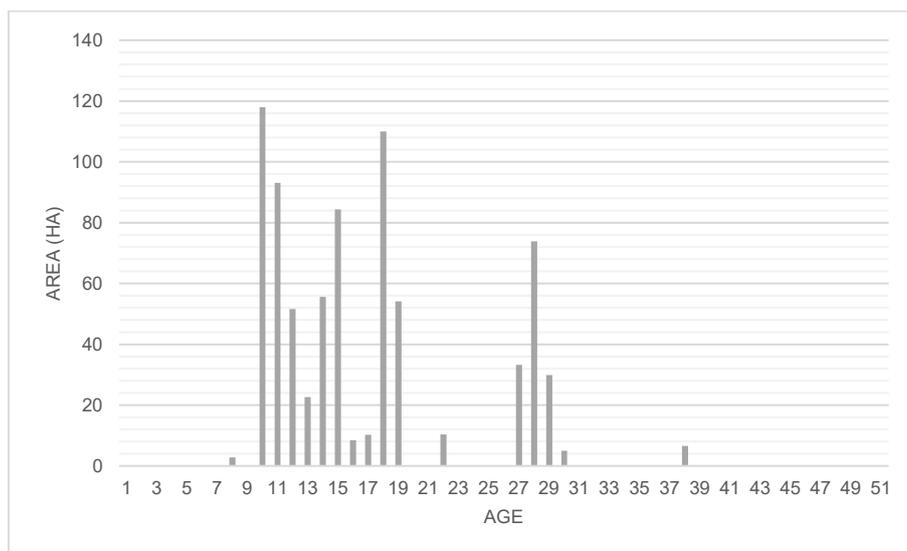


Figure 1 Area by age class distribution of the Whanganui Estate

Yield Reconciliation

Over the last 12 months the yield reconciliation between the predicted vs actual has shown that the actual production is slightly lower than expected. In McNab's forest there were areas that had large areas of windthrow that were originally included in the Pre-Harvest Inventory. This is likely to impact the yield recovery results. For Sicelys the sample size is only small, and it is expected to improve over the duration of the harvest.

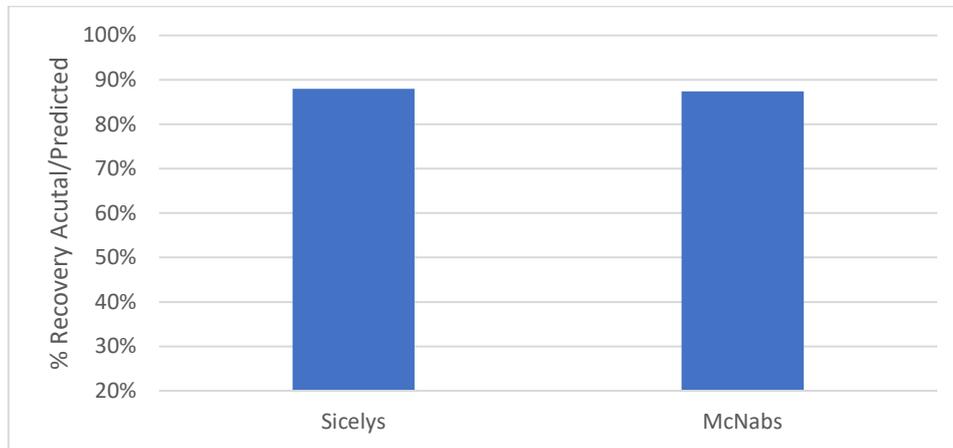


Figure 2 Yield reconciliation results summary for 2020 by Forest

Social

Public Feedback

SFNZ strives to engage actively with stakeholders in the many communities where it operates, with particular focus on those directly or indirectly affected by its operations. Prior to commencing harvesting in a new area, SFNZ engages with representatives of the local community so that they are informed of plans and can be involved in developing mitigation strategies for identified concerns. Typically, the groups include forest neighbours, residents on any rural access roads affected by logging traffic, and tangata whenua. SFNZ maintains a stakeholder and public feedback register to monitor and manage issues. The figure 3 shows most feedback are complaints and communications.

To date the feedback has been communications with neighbours around boundary fencing and with Horizons Regional Council around pest control.

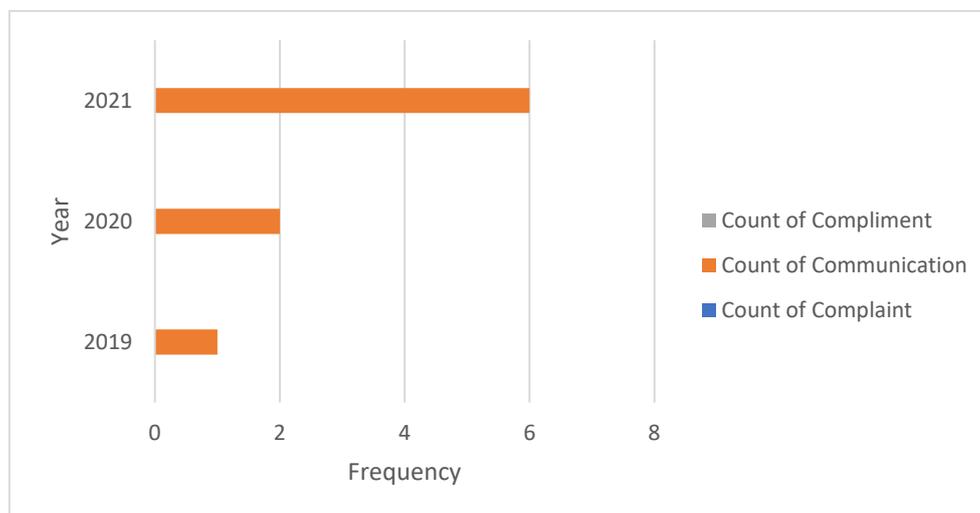


Figure 3 Record of communications, compliments and complaints from the public.

Recreational use

Access is allowed in forests where operational or other restrictions are not in place. Access request are mostly for hunting or firewood collecting.

Figure 4 shows a breakdown of the number of permits issues by type for the last 12 months.

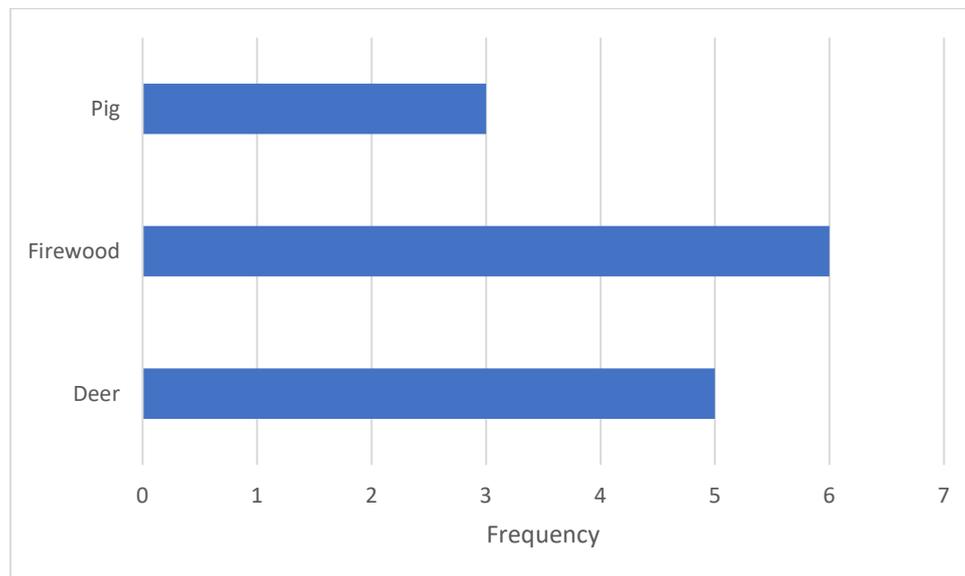


Figure 4 Summary of the recreational use of the Whanganui estate

Environmental

Improvements

There have been 1 environmental incident over the past 12 months. After a heavy rain event a track gave way and caused minor sediment discharge into the head of a gully.

Table 1 shows a brief description of each incident.

Table 1 Environmental improvements for the last 12 months

Status	Number	Due	Description	Departments	Project	Type
Closed	EI 00044	22/12/2020	After very heavy rain fill that been placed on existing track below road level slumped down into the gully head after the existing track gave way.	Harvesting	McNab	Environmental Incident

Stream Monitoring

SFNZ is committed to a programme of ensuring that the waterways in and flowing from forests under their stewardship are maintained in a state that has minimal effect on water quality. Water monitoring of significant streams (approximately over 1 meter) is undertaken annually – pre-harvest, during harvest and two years post-harvest.

Tributaries flowing from McNabs, and Sicelys Forests have been assessed as non-significant. This means they do not meet the minimum depth requirements for clarity testing.

Threatened Species Monitoring

SFNZ is committed to the conservation, preservation, and protection of threatened species in the forests it manages and support neighbours' efforts. The Operations Guide contains a table of rare, threatened and endangered (RTE) species that could be found in SFNZ forests and crews are trained in discovery protocol. SFNZ maintains a list of RTE sightings, these are mapped in LRM and reported on annually. SFNZ consulted with Department of Conservation, Fish and Game New Zealand, the previous landowners / managers, Whanganui District Council. There is currently no recorded RTE species within SFNZ Whanganui Forest Estate.

Pest Control

FMNZ work in conjunction with the Horizons Regional Council (HRC) on their pest control strategies to improve biodiversity in the region. Table 2 shows a summary pest control results from the past 12 months.

Table 2: Pest control results 2021

Forest	Feral Cat	Possum	Feral Goat
Te Ara To Waka		167	
McNabs		100	25
Sicelys		20	
Tauwhare		5	
McNabs	1	26	
Total	1	318	25

High Conservation Value

There are currently no HCV areas identified in the Whanganui Estate. The assessment of HCV areas in SFNZ estate is ongoing as more information and understanding come to light. The HCV list is reviewed five yearly in consultation with relevant stakeholders. Stakeholder feedback is crucial to this process.

Within SFNZ plantation forests there are pockets of indigenous vegetation mapped as significant non-plantation (SNP). These areas are identified on the Geographic Information System (GIS) and are protected by operational management.

Forestry

Operations Summary

No planting was undertaken in 2020 as harvesting operations only commenced at the start of 2020. It is anticipated there will be 77 ha available to be replanted in Sicelys forest in 2021, with 119.7ha in McNabs forest under tenure review.

The silvicultural regime underwent some analysis to determine whether pruning was still a viable option. Using external consultants, they identified that stands had past the point whether they were worth pruning as the diameter of stubs (DOS) would be large and minimal clearwood produced. All forests going forward are to be managed on a structural regime.

A catch-up thinning programme has been in progress over the last 12 months with 328.5ha thinned in both Te Ara To Waka and Tauwhare.

Chemical Use

SFNZ has undertaken Environmental, Social Risk Assessments (ESRA) on all chemical it uses in accordance with FSC Pesticides Policy (FSC-POL-30-001 V3-0). Chemical use is following a similar trend to previous years. Generally, the change in glyphosate use is a factor of the area to be re-established. Where possible the minimal amount of chemical is used but it is still required to be at a level to get satisfactory results.

Figure 5 shows a breakdown of chemical use of active ingredient for this year.

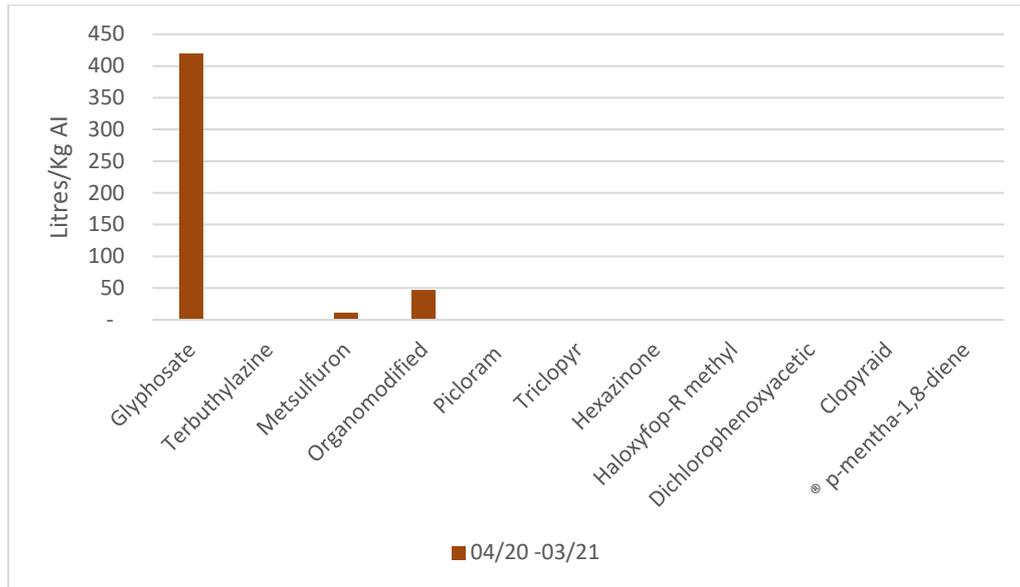


Figure 5 Chemical use by active ingredient 2021

Harvesting

Health, Safety Wellbeing

In the past 12 months our goal has been to improve the implementation of SFNZ's systems in conjunction with FMNZ in the Whanganui region. This is an on-going process, and we are starting to see positive results.

Figure 6 provides a summary of the incidents by department over the last 12 months. It shows the greatest number of incidents are occurring in Harvesting. As harvesting is the main operation in the region this is an expected outcome.

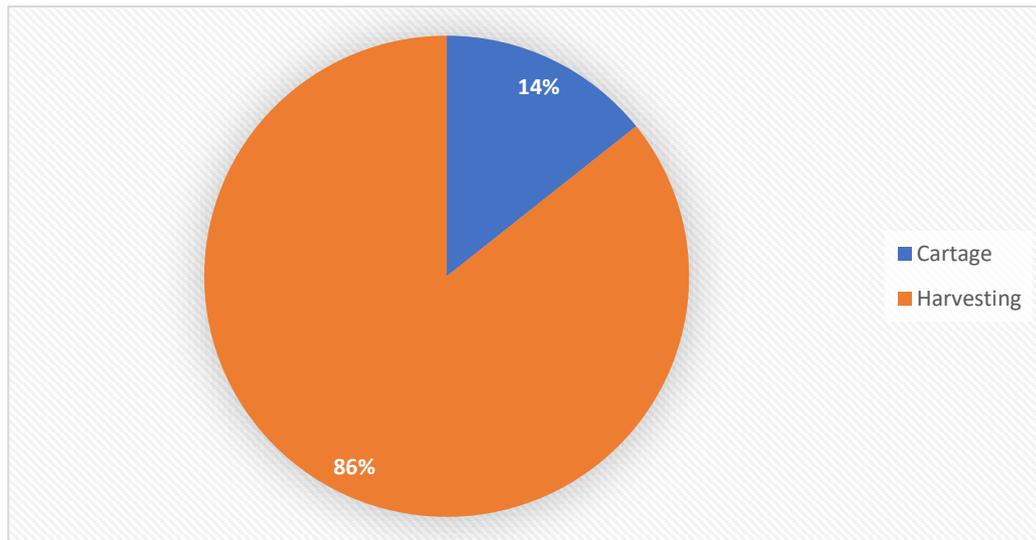


Figure 6 Incidents by sector

If we take a closer look at incidents by type for harvesting most of the incidents are minor injuries and near hits shown in figure 7. A large proportion of incidents occurred during manual tree falling. With skilled fallers becoming harder to find and technology now available to reduce the need for falling this has been an area of focus. The logging contractor Hickford logging now has a tethered felling machine which is a great initiative and will have reduce incidents in this area.

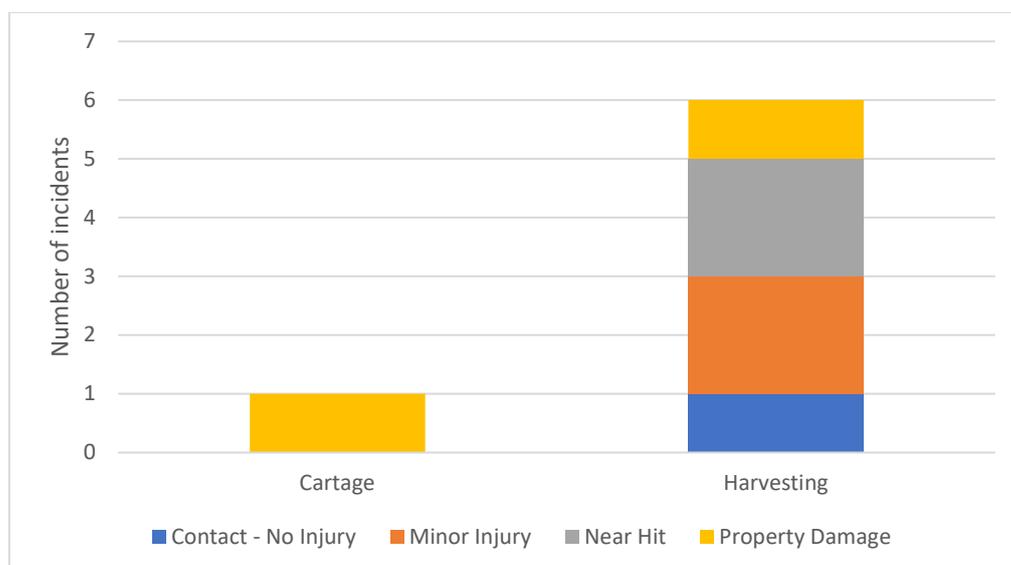


Figure 7 Type of incidents by department

NES-PF

There was only one NES-PF notified operation for harvesting and earthworks at Sicelys Forest.

Table 2 provides a summary of the operation notified to the regional and district council.

There has been minor non-compliance issue noted and currently in the process of being resolved. The issue raised was regarding the cut batter slopes and stabilisation. Due to the nature of the sandy soils any slumping are cleaned up as they occur, and hydro seed is now being applied on cut batters.

Table 2 Summary of current NES-PF notified operations.

Status	Detail	Next Due	Department
Open	Sicelys (Harvesting and Earthworks) ATH-2019203020.00	31/01/2023	Harvesting/Roading

Resource consent

There is currently one active resource consent for roading in the orange / high erosion susceptibility class land in Sicelys Forest.

Production

Production summaries for the last 12 months

Table 3 Tonnes Harvested.

Type	Total (tonne)
FSC	61,142
Non FSC	
Total	61,142

Table 4 Markets supplied.

Type	Domestic (tonne)	Export (tonne)	Total (tonne)
FSC	12,373	48,768	61,142
Non FSC		-	-
Total	12,373	48,768	61,142

Table 5 Area harvested in the past 12 months.

Type	Area (hectares)
FSC	127.7
Non FSC	0
Total	127.7