



Annual Monitoring Review Coromandel 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 Ernslaw One crown forest licence (CFL) for Whangapoua and Ruatoria in November 2021. The Whangapoua CFL is current and is subject to treaty settlement claims while the Ruatoria CFL has been terminated and as areas are harvested, they are handed back for Ngati Porou to replant. As such only the Whangapoua CFL is to be FSC certified as it was previously with Ernslaw One.

The Whangapoua forest has a total area of 10,246 hectares with 7,492 classified as productive area. The estate consists of one large forest situated on the Coromandel peninsular. This is a well-established forest and harvesting is in now into the second rotation.

The two-management staff who previously worked for Ernslaw came across as part of the transaction this includes the Forest Manager and Forest Supervisor. Contractors carry out harvesting operations, road construction and maintenance, silviculture, and land preparation have come over as well.

SFNZ currently employs 22 contract workers in the Coromandel Region.



Figure 1 Overview shot of Whangapoua Forest

Forest Description

Inventory

No inventory has been completed under SFNZ's ownership. The last inventory completed was a lidar survey in 2019 where the Knn approach was used to derive the yield table and monitor growth. This will be completed every 5 years and the next measurement is due in 2024.

Age class distribution

The estate has a fairly even age class distribution (figure 1) with a larger area in the ages between 9 and 22. In the next 5 years there will be the opportunity to look at having a second harvesting crew operational within the forest. There is a small area greater than 37 years old which is considered unharvestable.

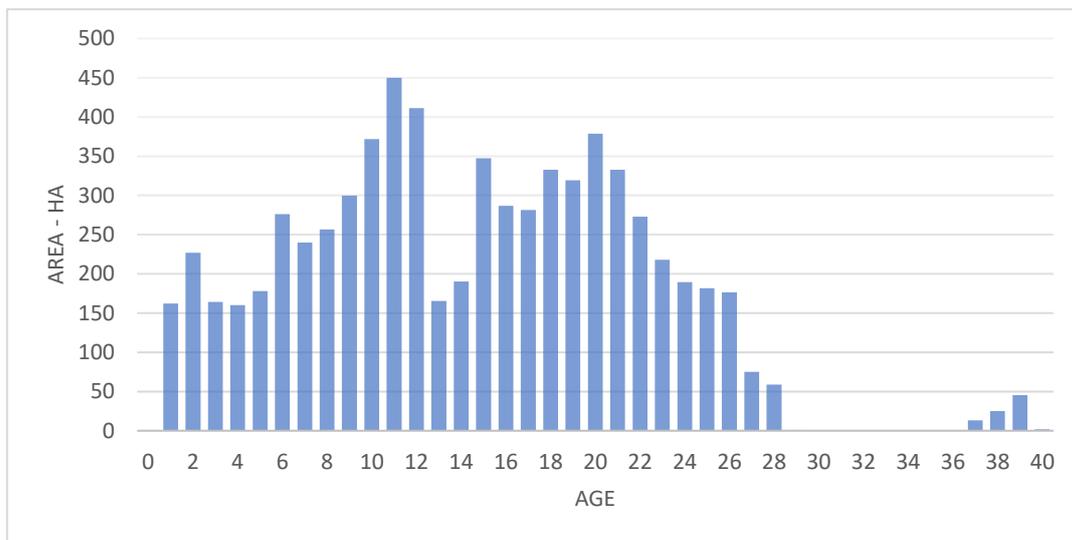


Figure 2 Area by age class distribution of the Coromandel Estate

Yield Reconciliation

Over the last 6 months the yield reconciliation between the predicted vs actual has shown that the actual production is closely aligned with the inventory information. Overtime the more area that we harvest will give us a better indication of the appropriateness of the yield tables. Current results show they are fit for purpose.

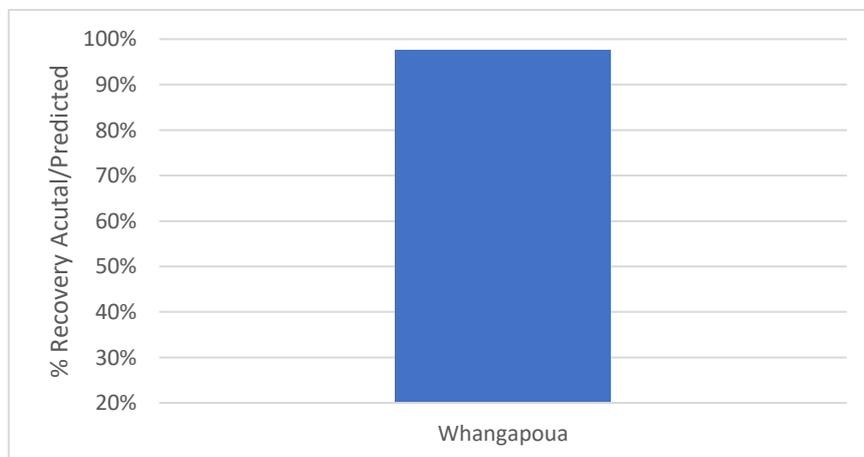


Figure 3 Yield reconciliation results summary for 2021

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.

During the period 1st November 2021 to 31 March 2022 there has been no public feedback.

Recreational use

Recreational access already has an established work process in this region. Hunting permits are managed through hunting clubs in Coromandel and Whitianga. This is only available during the hunting season and excluding the fire season. Walking access is available with no permit required due to the rules set out in the crown forest licence.

There were no permits issues between 1st November 2021 to 31st March 2022.

Environmental

Improvements

There have been no environmental incidents reported over the past five months.

Stream Monitoring

The Whangapoua forest has had an active stream monitoring programme since 1992 and every year a report is produced reviewing the results. This is prepared by National Institute of Water and Atmospheric Research (NIWA). Measurements are completed by both NIWA and SFNZ staff.

The report describes the impacts of forest harvesting on stream ecosystems. It tracks both the relative magnitudes of impacts and rates of recovery from progressive pine forest harvesting in Whangapoua Forest. Impacts and recovery are assessed in terms of stream water clarity (fortnightly), temperature (continuous during summer), and stream habitat and biota (in summer and at the end of winter). The report incorporates the dominant patterns from earlier surveys (since 1992) from streams that differ in size and catchment harvest intensity over the entire monitoring period 1994 to present. There were 13 sample sites measured in 2020-2021.

The report is available for viewing at a SFNZ office.

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.

Project Kiwi Trust is contracted to manage biodiversity projects in the Whangapoua Forest. As part of this project a kiwi call count survey is completed every two years to monitor the kiwi population. The survey consists of listening for kiwi calls between 6.00 – 8.00pm for three consecutive nights in

June (weather permitting), on sites that remain the same over all subsequent surveys. The baseline surveys were completed in 2012.

The report is available for viewing at a SFNZ office.

Pest Control

Pest control in the estate is contracted to Project kiwi who manage a range of biodiversity projects including: the biodiversity block and the Waingaro Wetland. An extensive predator control programme is completed in both of these areas. Results for the period June 2021 – June 2022 are due in late June/July.

Table 1 provides a summary of the catch counts since 2014.

Table 1 Summary of predator control 2014 - 2021

WHANGAPOUA FOREST TARGET SPECIES CATCHES				
Year Ended	Total Number of Trap Checks and Services	Total Number of Traps	Total Number of Animals Cleared	Total Number of Target Species Cleared
30 June 2014	4	122	55	7 stoats 11 cats
30 June 2015	7	122	96	1 ferret 6 stoats 7 cats
30 June 2016	7	122	139	11 stoats 18 cats
30 June 2017	7	122	190	15 stoats 9 cats
30 June 2018	7	122	189	8 stoats 15 cats
30 June 2019	14	139 - 153	264	11 stoats 6 cats
30 June 2020	22	153 - 176	292	25 stoats 5 cats
30 June 2021	24	176 - 193	367	23 stoats 10 cats

High Conservation Value

The Whangapoua Forest has one area that meets the threshold as a high conservation value (HCV) area. This is the Waingaro Wetland which meets the criteria of HCV3 – Rare, threatened, or endangered ecosystems, habitats or refugia.

This area is the largest remaining wetland within the Colville Ecological District. The wetland flora species include manuka/Baumea rush-shrubland as well as raupo-flax reedland. The wetland provides habitat for a range of native bird species including the north island fernbird.

As part of the HCV management plan the following actions are taken:

Management guidelines

- Control exotic willow species from within the wetland. Waikato Regional Council has committed to undertake this pest plant species eradication.
- Use of chemicals within the protected area to be strictly controlled to limit damage to the ecosystem. Chemical use to control pest plant must consider all viable alternatives prior to use. Waikato Regional Council to report chemical usage.
- Establish a predator control programme (trap network) around the wetland.
- Ensuring harvest planning recognises the value of the ecosystem and plans operations to maintain its current state. This includes using existing access routes, avoid infrastructure development within the protected area, extracting crop trees away from the protected area.
- Engage with students from Te Rerenga school to learn about biodiversity and manage data.

The management of this wetland is contracted to Project Kiwi who manages the evasive pest trapping programme. The traps are checked and serviced 24 times per year. Project Kiwi report annually by the 30th of June with the results of all the biodiversity projects they manage.

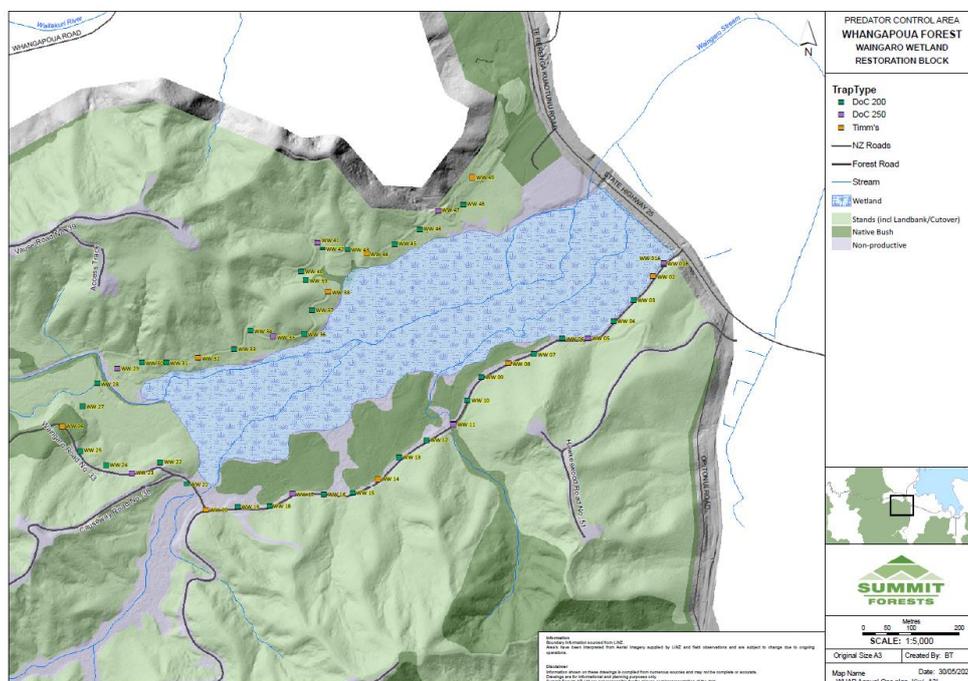


Figure 4 Waingaro Wetland restoration block

Forestry

Operations Summary

A total of 151.9 ha was thinned within the estate over the past five months. There is a consistent thinning programme within the estate with approximately 200 – 250ha to be thinned each year.

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 the past five months

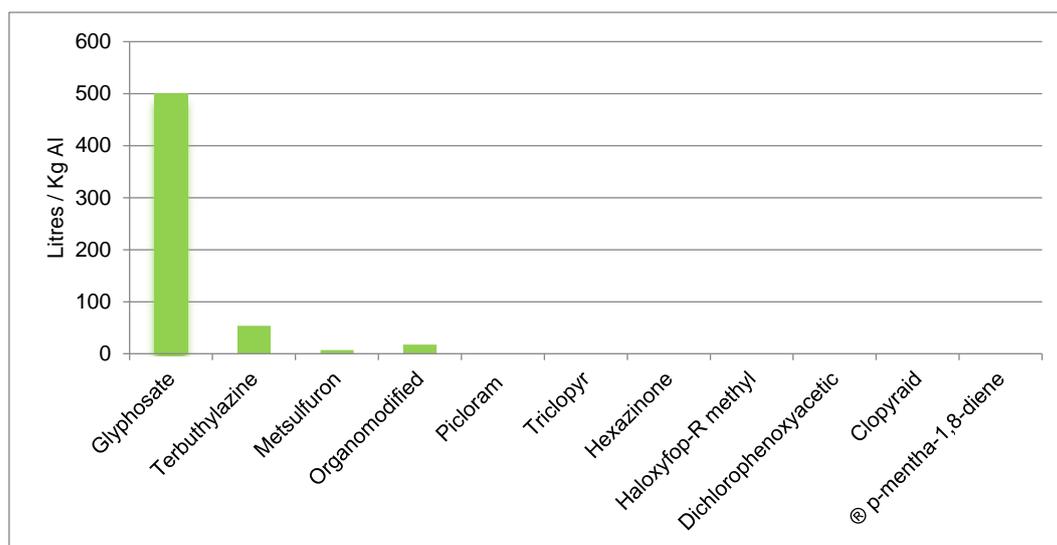


Figure 5 Chemical use by active ingredient November 2021 to March 2022

Harvesting

Health, Safety Wellbeing

Since taking over this asset the focus of the past five months is to implement SFNZs systems into the Coromandel operation.

NES-PF

There is one current NES-PF notified operation within the estate and that is for road maintenance.

Resource consent

There are a total of 18 consents in place for operations within Whangapoua Forest. There are 3 consents that are relevant to the current operations which are shown in table 2.

Table 2 List of current resource consents

Consent Number	Expiry Date	Description
WHAP - AUTH110661.01.04	2027-05-10	Undertake plantation forest harvesting within Whangapoua Forest exceeding 50 hectares per annum on slopes greater than 20 degrees
WHAP - AUTH110662.01.04	2027-05-10	Undertake plantation forest harvesting within 5 metres of perennial water bodies within the Whangapoua Forest
WHAP-AUTH10664.01.04	2027-05-10	Use and maintain existing culverts and to install, use and maintain new single pipe culverts of less than 1500mm diameter for stream crossing purposes within Whangapoua Forest

Production

Production summaries for the last 12 months

Table 3 Tonnes Harvested.

Type	Total (tonne)
FSC	
Non FSC	15,600
Total	15,600

Table 4 Markets supplied.

Type	Domestic (tonne)	Export (tonne)	Total (tonne)
FSC			
Non FSC		15,600	
Total		15,600	15,600

Table 5 Area harvested in the past 5 months.

Type	Area (hectares)
FSC	
Non FSC	35.4
Total	35.4