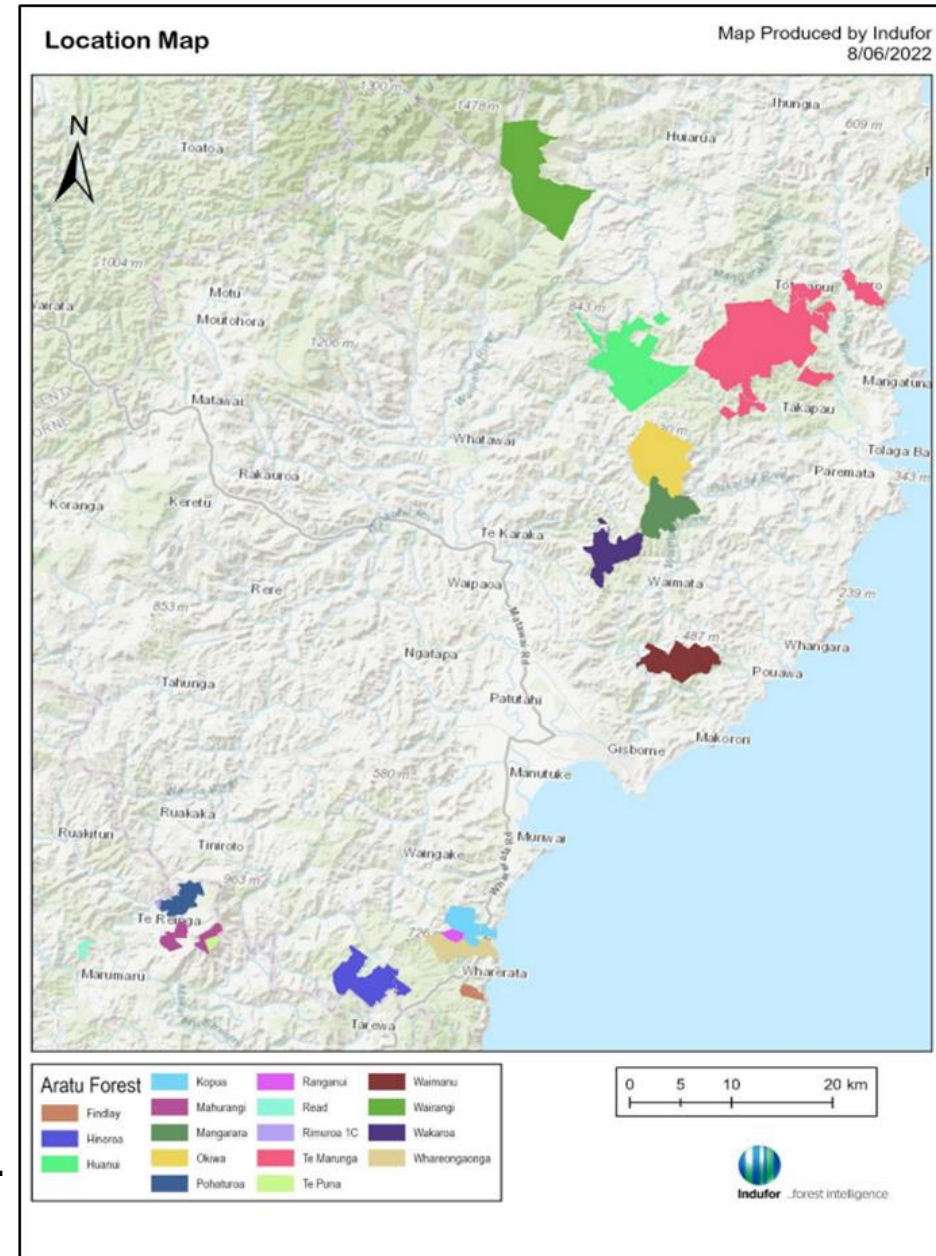




NZIF Conference Presentation – 11 September 2022  
CPD Workshop 2 Environmental Risks, Adverse Weather Events  
& Catchment Management  
Neil Woods

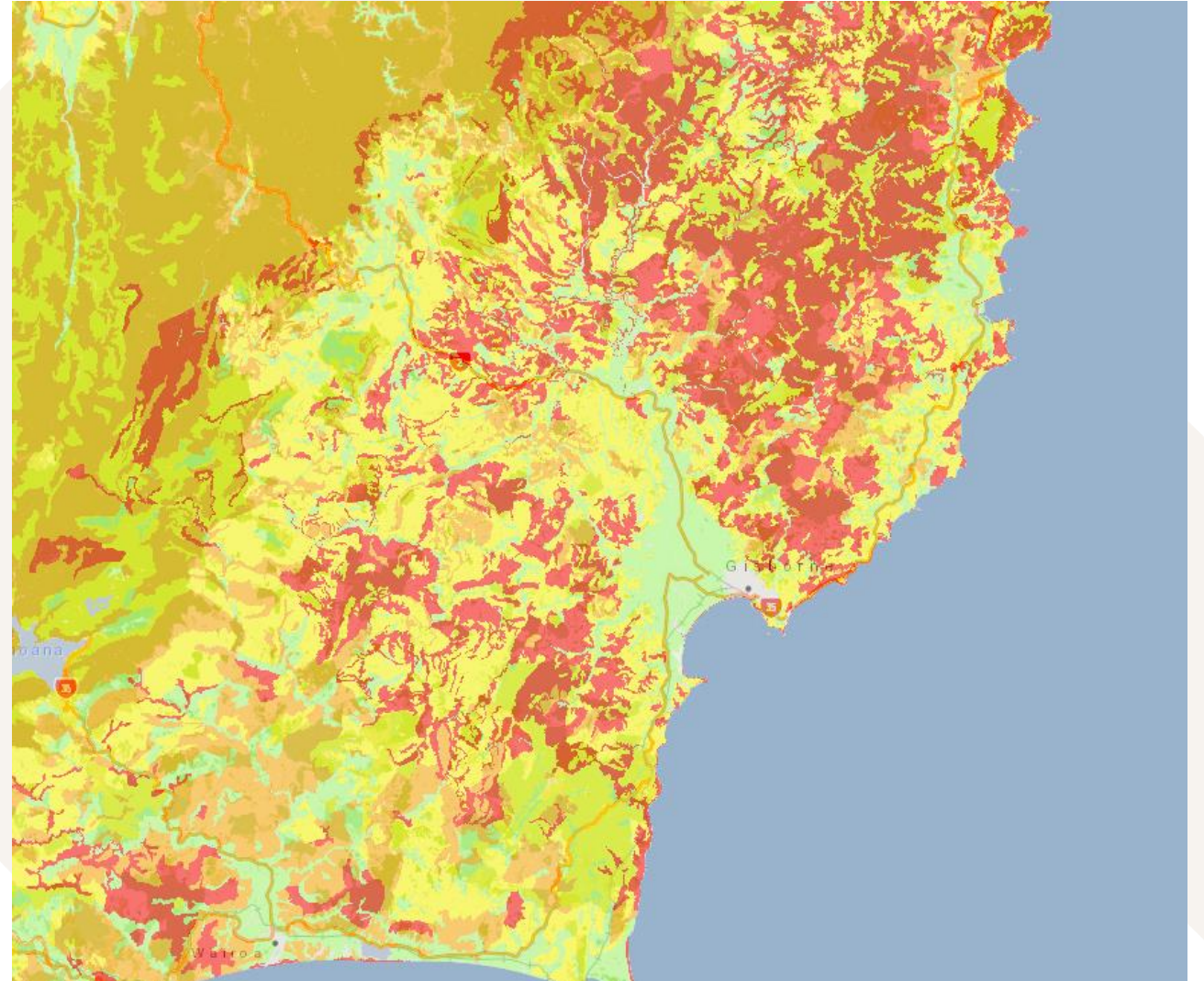
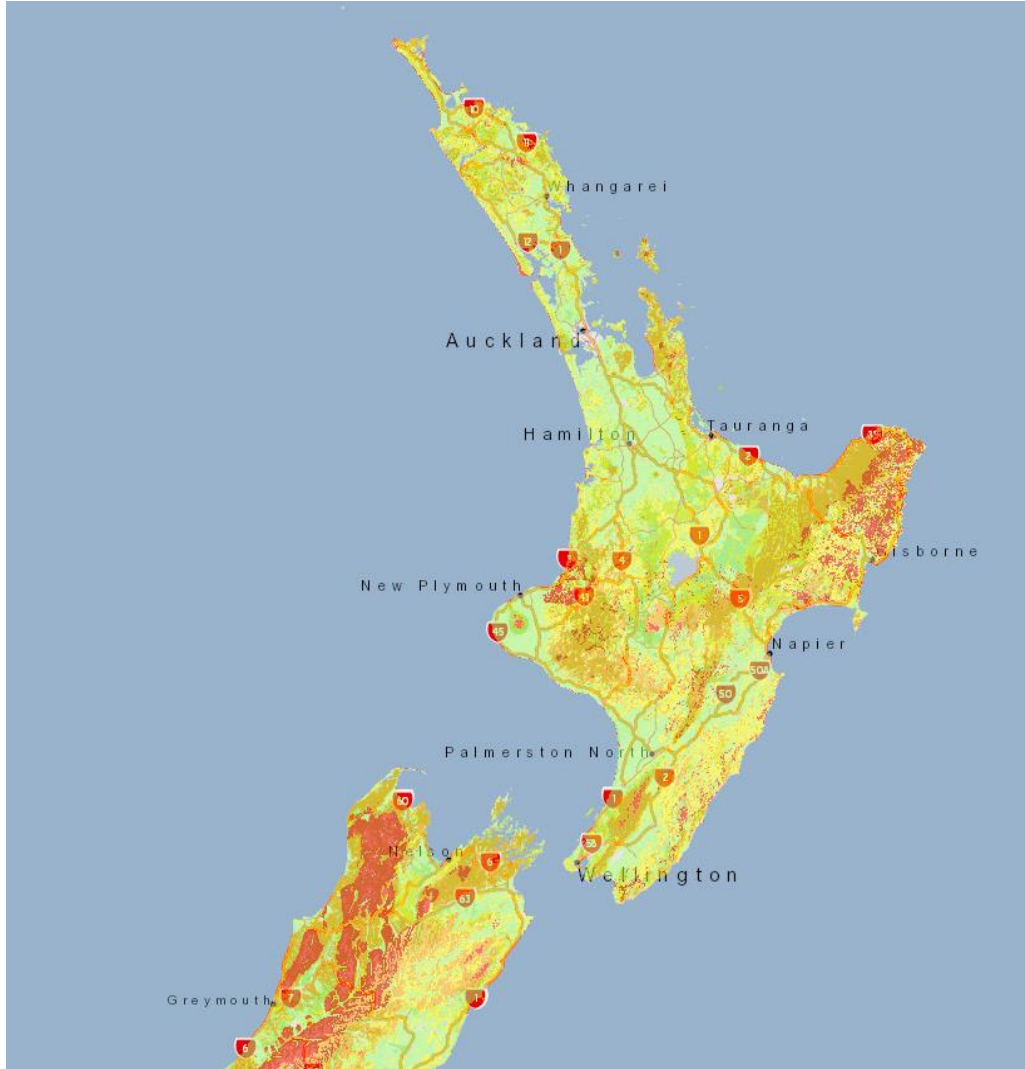
# Aratu – An Overview

- Previously Hikurangi Forest Farms, FCF/Samling
- Purchased by New Forests' Fund ANZFF3 and associated co-investors July 2019.
- Gross Area – 35,198 hectares (17 Forests), 25,500 stocked, 91% Freehold.
- Resource supports annual harvest of approx. 700,000 - 800,000m<sup>3</sup> per annum. 1R.
- Previously pruned regime, now unpruned.
- 28 Staff incl W/Thin crew – plus ~250 contracted workers.
- PEFC & FSC certified.
- Constrained ageclass distribution.
- Steep highly erodible soils.
- Challenges with local infrastructure, port, roads, processing.



# What are we dealing with? – **RED ZONE:** Very High erosion susceptibility

Most of the Aratu estate is graded, Orange or Red zone.



# Land Use change in Tairāwhiti



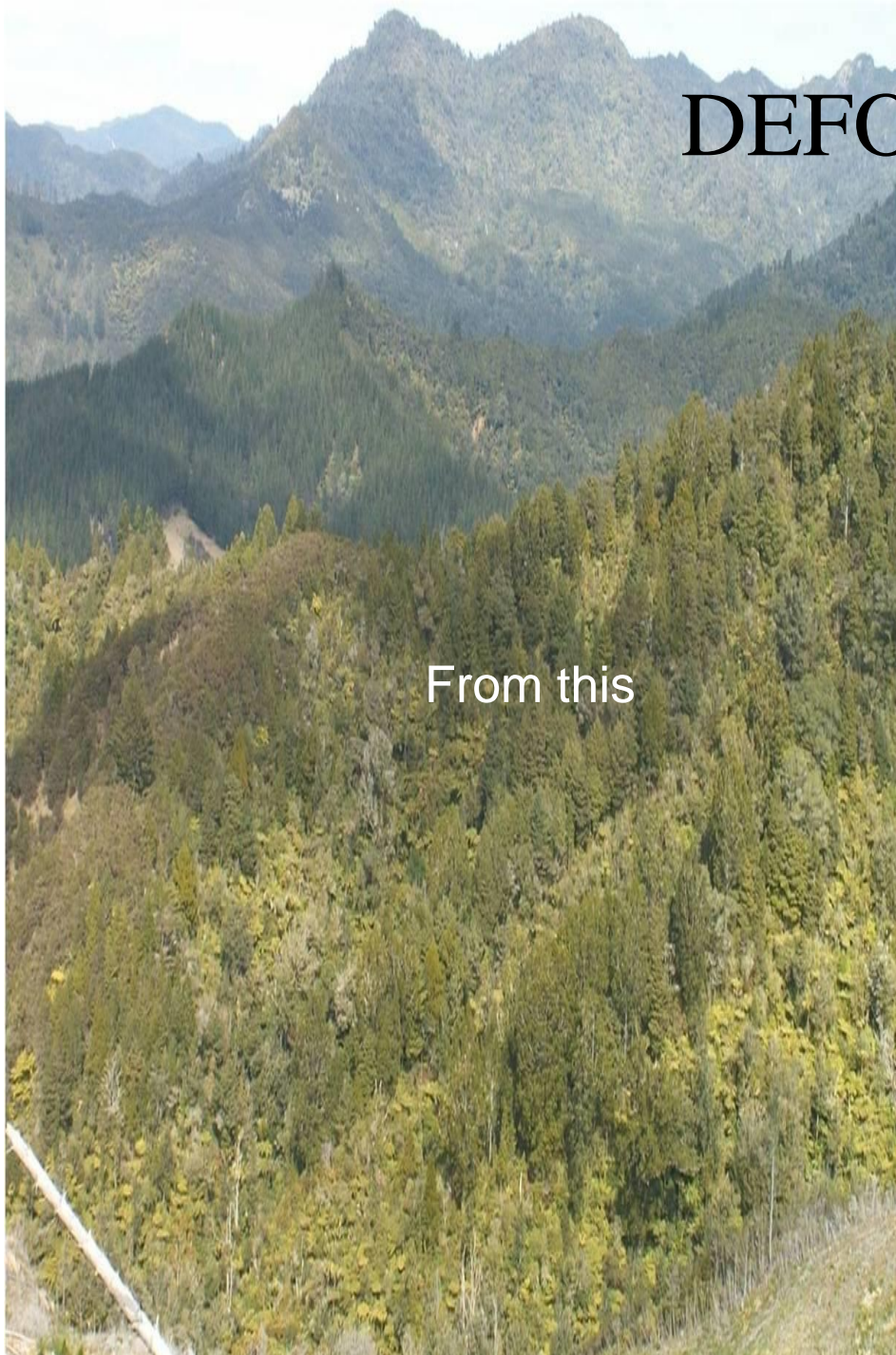
Four major periods of land use change:

1. Conversion of indigenous forest to pasture.
2. The reforestation of some pastoral hill country (1960-1985).
3. Further afforestation of pastoral land in the 1990s following Cyclone Bola (1988).
4. Now harvesting of plantations established in 2 and 3 above.

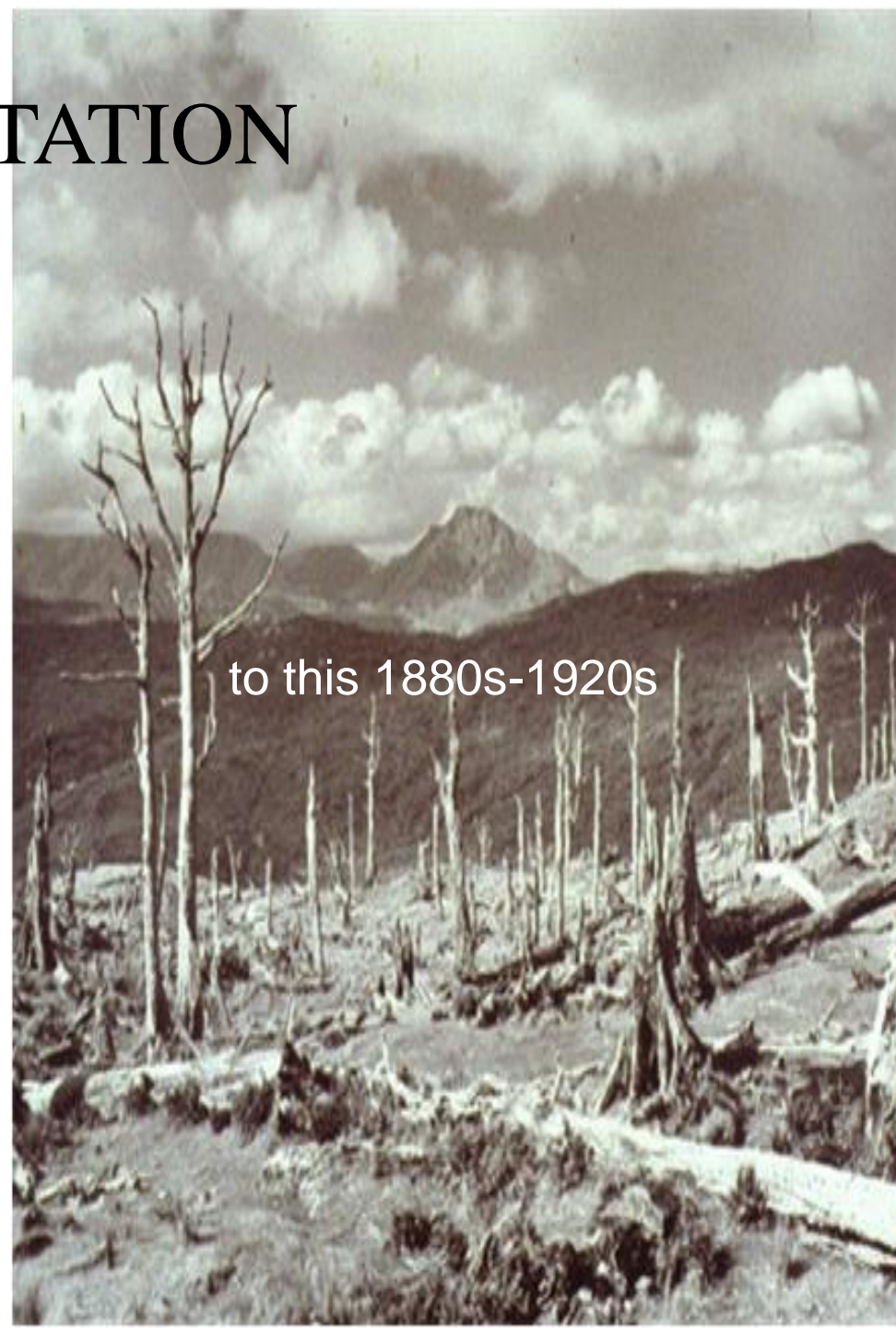
Scale and severity of erosion has severely impacted river quality in the region.



# DEFORESTATION



From this



to this 1880s-1920s

**When combined with extreme weather events became this:**



# Plantings can have a positive impact:



# But - issues have arisen at time of harvesting:

- Road and Landing construction – exposing bare land
- Harvesting exposes bare land – high risk for up to 4 years.
- No residue market
- No large trees left in riparian as “slash catchers”.

Severe Storms in 2018 resulted in considerable mobilisation of post harvest debris and slope movement

Local community has had enough and a raft of things needed to happen:

1. Changed practices with infrastructure build and harvesting.
2. Active management of high risk and Riparian Zones



**Forester  
denies  
flooding  
liability**



A hand would be nice: Ron Tom surveys high-brow Clare James' property on the Tappawarra Estate for after-foresters carrying mud and logs. Damaged houses and closed roads in the Wangapeka. Photo: MATT/PAUL RYAN



# eLandNZ Project.



Within estate :

1. Some areas shouldn't have been planted in Pine,
  2. some planted areas shouldn't/wont be harvested, and
  3. some harvested areas wont be replanted in pine.
- eLandNZ are being offered some of categories 2 and most of 3 above



# Strong alignment with New Forests' Vision



- A forestry venture between eLandNZ Limited and Aratu Forests Limited
  - In development since 2018 storms
  - Unconditional 5th March 2021
  - 5 year initial term
- A 90-year land management agreement
- Utilises revenue from honey and carbon to facilitate.
- Asset protection via Forestry Right
- Strong set of KPI's incl.
  - Mix of species planted
  - Local Iwi involvement
  - Safety
  - Survival rates
  - Associated research
  - Publicity
- Silt, Biodiversity, Water quality, debris catchers
- **NOT A SILVER BULLET**



# New Forests' Vision

To see investment in land use and forestry as central to the transition to a sustainable future.

- By 2030 we want to see all capital allocations to forests and other land use invested in strategies that create climate-positive and nature positive landscapes, integrating conservation, restoration, and sustainable production while generating shared prosperity for communities.



# Sustainable Landscape Investment

New Forests' SLI framework is an integrated approach to managing material ESG issues in forestry investments.

- New Forests believes this holistic framework enhances investment performance and can help reduce risk, create value, and support beneficial environmental and social outcomes.
- New Forests uses the SLI framework to support investment decision-making, asset management, and investment monitoring.
- SLI reporting is included in operational reporting that flows from property managers through to New Forests for analysis and monitoring.



# eLandNZ Project - progress

- Established ~63 ha in 2021, similar in 2022
- Mostly Manuka but KPI's require other species also.
- Initial survival and growth has been encouraging.



# Impact on Aratu productive area is likely to be marginal



# Improved protection of otherwise fragile ecosystem features.



# Benefits to Aratu

Aligns with Aratu's own Strategic Goal regarding Balance Sheet objectives.

- Natural Capital
- Environmental Credits
  - Bio diversity,
  - Water quality,
  - Soil stabilisation
  - Wetlands protection and enhancement
- Improved Social license
- Recreation
- Alternate long term management of challenging areas

