



Summer 2020-21 NEWSLETTER

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**Forest
Management**
GROUP

Introduction

FROM THE DIRECTORS

Welcome to the Summer edition of our newsletter.

As we all know 2020 had some challenges, however some highlights for our group included;

- The emergence of Wellington as 1 of our significant log export ports
- The biggest planting season FMG has undertaken with over 3,800,000 seedlings, either replanted after harvest or into the establishment of new forest throughout our region
- FMG getting approval for more than \$10,000,000 of 1BT funding for clients
- The effort our admin team put in to getting the business running again post lockdown.

FMG also took some learnings out of the lockdown around the ability to work remotely. One of the more significant changes was the awarding of a contract to Trimble to develop a new log accounting system for the group (LIMS). This is the first step to paperless dockets and improved traceability for contractors, customers and clients. We hope to go live with this new system in June this year.

Looking forward into 2021 our planting programme is fully subscribed (in fact 2022 is almost full as well). There is a lot of demand from both the export and domestic markets for logs so we expect to be able to deliver healthy returns back to our clients. There is also a feeling around that the NZU price will only get better.

So lets put our “glass half full” approach to the year ahead as our industry rides this wave.

Glenn Moir
Director



Changes to the ETS from 1st January 2021

The Climate Change Response (Emissions Trading Reform) Amendment Act 2020 came into force in June 2020. This Amendment Act will help New Zealand reach its targets to reduce emissions. It changes how the Emissions Trading Scheme (ETS) operates for all sectors.

Key changes

- New penalties have been introduced that may have large financial impacts if you fail to meet emissions return, surrender, or repayment deadlines, or if you provide an incorrect emissions return. These apply from 1 January 2021.
- The amount of the fixed price option has increased from \$25 a unit to \$35 a unit for emissions and removals occurring in or attributed to 2020.
- The phasing out of industrial allocations from 2021.
- Participants' emissions and removal data, and information about certain penalties incurred by participants, will be published after 30 June 2021.
- Auctioning of New Zealand Units into the ETS is being introduced in 2021. The first Auction will be undertaken in March this year and run by the NZX.

Carbon Prices have currently moved above the \$35 cap as can be seen below.

(Prices quoted as at 25 January 2021)

Spot	\$38.20
April 2021	\$38.55
April 2022	\$39.65
April 2023	\$40.75
April 2024	\$41.90
April 2025	\$43.05

The Climate Change Commission is due to release its first report for consultation from 1st February. It will cover:

- The proposed first three emissions budgets and guidance on the first emissions reduction plan, advising the Government on how the emissions budgets could be met.
- Whether Aotearoa's first Nationally Determined Contribution is compatible with contributing to the global efforts to limit warming above 1.5°C above pre-industrial levels.
- Advice on what potential reductions in biogenic methane might be needed in the future (this is not a review of current targets).

Refer to:

www.epa.govt.nz/industry-areas/emissions-trading-scheme/changes-to-the-ets/

Canterbury West Coast Wood Council Launch

The Canterbury West Coast Wood Council held its launch ceremony on 22 October 2020 at Steam Scene, McLeans Island. Almost 100 members with their families and students from Canterbury University turned out to see a

demonstration of a restored vintage steam driven sawmill. The sawmill is owned by Stoneyhurst Sawmill and has been in their family for generations. SML transport also showed their portable wood chipper.



The weather was very pleasant, and everyone enjoyed an American style smoked BBQ thanks to Te Uru Rakau. Conversation was flowing and it was

great to see people from different parts of the forestry industry mix together and have fun.

If you would like to know more about CWC Wood Council, please visit their website www.cwcc.co.nz



Tasman Forest Management is celebrating 20!

The 1986 NZ Forest Service Ranger & Graduate Trainee intake of 30 people included; Glenn Moir, Evan MacClure and Tamati Smith. At the 3 week induction course at the Forestry Training Centre in Rotorua, one of the people helping run the course was Dave Janett.

All 3 carried out the 1st year practical at Ashley Forest in North Canterbury. One of the Logging Supervisors at Ashley was a chap called Leith Christie. Leith always joked that he had to be nice to the trainees, as he may end up working for them in the future! Reach forward a few years, Dave & Glenn started working together as Janett & Associates Ltd which soon became Forest Management Ltd based in Christchurch. In 2000 Glenn started talking with Tamati and another NZFS Ranger Trainee from the 1985 intake called Bert Hughes. Glenn was spending too much time travelling to Nelson & Marlborough, so suggested that a company start in Nelson to cover this work. Hence Bert, Tamati, Glenn, Evan & Dave started Tasman Forest Management Ltd in April 2001.

Bert had recently finished working for Rayonier out of Nelson and Tamati left corporate forestry life in the Bay of Plenty. With a starting fund of \$10k each we had now taken the large step of working for ourselves and had to start hunting for work. One of our first clients was John and Phillipa Bradshaw at Canvastown. Bert had worked in their small pine treatment plant as a schoolboy. TFM's next large client was the Perry Family with their 900 ha property in

Port Underwood. TFM managed this estate for successive generations of Perry's from 2001 through to 2016 when the forest was sold.

Initially admin was carried out by FML in Christchurch and from the spare bedroom of Tamati's house. We graduated to a proper office in Renwick after a year and this served us well until the 2016 earthquakes rocked the ceiling a bit and caused the asbestos lining to start cracking and flaking. Three years ago we upgraded when shifting into Blenheim.

In 2010 Bert was shoulder tapped to be Manager for Forest Enterprises Ltd in Masterton and is now the CEO. His shares were bought out by Craig McMiken. Craig covers the Nelson region from the office in Mapua and Tamati the Marlborough area. Over the last 20 years the number of clients has steadily grown. Gibbons Holdings, Rayonier NZ and CNBM have been some of the major ones but there is a number of medium size partnerships and families we work for.

Over the years TFM has set up and logged a lot of blocks in the Marlborough Sounds and in particular Port Underwood. TFM managed Rayonier's Queen Charlotte Forest for 6 years and recently this returned to our management. TFM also has a lot of experience with the 'Separation Point Granites' from the Owen through the Baton Valley up the Westbank through to Marahau.

TFM has enjoyed the service of great contractors. Special shout out to Burson Logging Ltd and Stuart Drummond Transport who have been with TFM since 2005. T.Croft Ltd have continually back loaded FML logs from the West Coast and picked up TFM logs for IPL and Westco.

Bryant Earthworks Ltd in Marlborough have worked with us since the start and Taylors Contracting Ltd in Nelson have covered the majority of the earthworks there. Working with great clients and contractors has certainly made things easier to manage.

TFM has also had some great staff. Kay Chapman ran our admin for 14 years and only left just prior to lockdown. Damian Byrne was one of our first additions to operational staff and is now a key part of Forest Management Ltd. Jeremy Patterson-Green just turned over 10 years with TFM in Blenheim.

TFM manages the harvesting of 280-300,000 tonne per annum and plants or replants 400-500ha per year. With good clients, staff, customers and contractors, TFM has a great future and will be here for at least another 20!



The current TFM team of 7 plus partners at last year Christmas do which included waka paddling out in the Abel Tasman

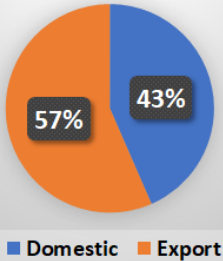
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2020 in figures

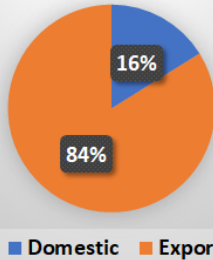
The impact of Covid-19 on FMG harvest volumes



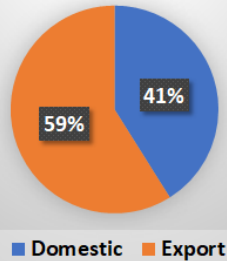
FML SI 2020



FML NI 2020



TFM 2020



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