Forest Management Certification Reassessment Report for:

Hikurangi Forest Farms Ltd
In
Gisborne, New Zealand

Report Finalized: 26 May 2010
Audit Dates: March 8 – 11, 2010
Audit Team: Graeme Gillies, Mark Hansen, and Bruce Hall

Certificate code(s): SW-FM/COC-001605
Certificate issued: August 23, 2010

Organization Contact: Ross Wade
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PO BOX 242, Gisborne, New Zealand
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INTRODUCTION

This report presents the findings of an independent certification assessment conducted by a team of specialists representing the SmartWood Program of the Rainforest Alliance. The purpose of the assessment was to evaluate the ecological, economic and social performance of Hikurangi Forest Farms Ltd (the FME or HFF) forest management as defined by the Forest Stewardship Council.

This report contains four main sections of information and findings and several appendixes. The whole report plus appendices I will become public information about the forest management operation that may be distributed by SmartWood or the Forest Stewardship Council (FSC) to interested parties. The remainder of the appendices are confidential, to be reviewed only by authorized SmartWood and FSC staff and reviewers bound by confidentiality agreements.

The purpose of the SmartWood program is to recognize conscientious land stewardship through independent evaluation and certification of forestry practices. Forestry operations that attain SmartWood certification may use the SmartWood and FSC labels for public marketing and advertising.
1. SCOPE OF THE CERTIFICATE

1.1. Scope of the certificate

Hikurangi Forest Farms (HFF) is a medium sized forestry company based at Gisborne, the largest city in the East Coast province of New Zealand’s North Island.

It is a member of Tree One (NZ) Ltd which is a subsidiary of Lingui Developments Berhard Ltd, a company listed on the Kuala Lumpur stock exchange.

HFF is an integrated company, employing 19 staff across the divisions of Planning, IT, Finance, Forestry, Harvesting and Engineering. There are additionally 110 to 140 people employed through contract crews.

HFF manage 35,005 ha of land in several forest blocks close to Gisborne City. All blocks come under a single management regime and are covered in this instance by a single Forest Management Certificate.

1.2. Exclusion of areas from the scope of certificate

<table>
<thead>
<tr>
<th>X</th>
<th>Applicability of FSC partial certification and excision policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔</td>
<td>All forest land owned or managed by the FME is included in the scope of this evaluation.</td>
</tr>
</tbody>
</table>

FME owns and/or has management involvement in other forest land/properties (forest management units) not being evaluated. **If yes, complete all sections below.**

Is any portion of the forest management unit (s) under evaluation for certification being excised from the scope of the evaluation? **If yes, complete all sections below.**

Comments / Explanation for exclusion/excision: N/A

Control measures to prevent contamination

<table>
<thead>
<tr>
<th>Other Forest area</th>
<th>Location</th>
<th>Size (ha)</th>
</tr>
</thead>
</table>
2. ASSESSMENT PROCESS

2.1. Certification Standard Used

<table>
<thead>
<tr>
<th>Forest Stewardship standard Used for assessment:</th>
<th>Rainforest Alliance/SmartWood Interim Standard for Assessing Forest Management in New Zealand 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Adaptation: (if applicable)</td>
<td>-</td>
</tr>
</tbody>
</table>

2.2. Assessment team and qualifications

<table>
<thead>
<tr>
<th>Auditor Name</th>
<th>Qualifications:</th>
<th>Auditor role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graeme Gillies</td>
<td>Forester, NZCF, NCFPI, Dip. Rur. Stud. Graeme has been in forestry since 1977, specialising in establishment and silvicultural management. He has been a Forest Manager and Consultant to private and commercial owners before starting as the lower North Island Forestry officer with AgriQuality. Graeme has a wide range of experience in Harvesting, Silviculture, Forest Quarantine, Quality Assurance, Sawmilling and Timber Processing. He has successfully completed a QMS Lead Auditor course accredited by IRCA and IATCA. Graeme has also recently studied full time to attain the Diploma in Rural Studies (specialising in Natural Resource Management) from Massey University. He has been involved in 20+ FSC Forest Management assessments/audits as well as numerous Chain of Custody assessments and/or audits.</td>
<td>Lead Auditor</td>
</tr>
<tr>
<td>Mark Hansen</td>
<td>Mark has the qualification of a Bachelor of Science degree, majoring in Conservation and Ecology from Lincoln University. Mark has 5 years experience in the ecological field with emphasis on Biodiversity Monitoring, Wildlife Translocations, Biosecurity Surveillance, Ecological Assessments, Restoration Ecology and Mammalian Pest Monitoring and Control. Mark starting his career working as a self employed contractor then created his own company, FFENZ Ltd, and is now currently working as an Ecologist for SPS Biosecurity Ltd. Mark’s employment with SPS Biosecurity was to develop their environmental side of the company. Two highly specialised areas Mark has worked in are Herpetology, Avian Monitoring with Radar. As well as these specialised fields, Mark is proficient in FORMAK Ecological Site assessments as well as general biodiversity monitoring and ecological assessments. This is Mark’s first experience with FSC Forest Management assessments/audits and is the first step in his training for future FSC assessments/audits.</td>
<td>Auditor</td>
</tr>
<tr>
<td>Bruce Hall</td>
<td>Bruce has 10 years of compliance auditing to various standards in New Zealand for the Ministry of Forestry, Ministry of Agriculture and Forestry and AsureQuality. Bruce has attended a SmartWood Forest Management and Chain of Custody Training in Bogor Indonesia in June 2008. Bruce has since completed in excess of 30 Chain of Custody audits by himself. This is Brucses third FM audit as a trainee.</td>
<td>Auditor</td>
</tr>
</tbody>
</table>
2.3. Report peer reviewers

<table>
<thead>
<tr>
<th>Peer Reviewer Name</th>
<th>Qualifications:</th>
</tr>
</thead>
</table>

2.4. Assessment schedule (including pre-assessment and stakeholder consultation)

<table>
<thead>
<tr>
<th>Date</th>
<th>Location /main sites</th>
<th>Main activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/03/2010</td>
<td>HFF Head Office</td>
<td>Entry Meeting. Documentation and Systems Review.</td>
</tr>
<tr>
<td>09/03/2010</td>
<td>Mangarara (Forest Compartment 8), Whareongaonga</td>
<td>Field visits to forest blocks and interviews with contractors. Interviewed HFF Silviculture and harvest supervisors and discussed establishment techniques, spray rates, trial work, incident reports, dispute resolution, Archaeological sites and general harvest issues. Visited Archaeological sites in Whareongaonga Forest Visited harvesting sites and road line construction sites and interviewed contractors or the foreman if available. Harvesting Contract gangs visited and people interviewed Harvest Pro log 4 James Brown Mana Logging Ltd Shane McGuire Harvest Pro Log 7 Rueben Takoko Hancox Logging Garry Hancox Big Bark Ltd (Contractor-Tony Shanaghan). Employee Willi Poy interviewed</td>
</tr>
<tr>
<td>10/03/2010</td>
<td>HFF Head Office</td>
<td>Documentation and Systems Review, Chemical Store, Stakeholder Phone Calls.</td>
</tr>
<tr>
<td>11/03/2010</td>
<td>HFF Head Office</td>
<td>Documentation and Systems Review. Stakeholder phone interviews. Closing meeting.</td>
</tr>
<tr>
<td>16/03/2010</td>
<td>Telephone</td>
<td>Phone interview conducted with iwi stakeholder Adrian Stewart</td>
</tr>
<tr>
<td>17/03/2010</td>
<td>Telephone</td>
<td>Phone interview conducted with Department of Conservation stakeholder Andy Bassett</td>
</tr>
</tbody>
</table>

Total number of person days used for the assessment: 12

= number of auditors participating 3 X number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation 4.
2.5. Evaluation strategy

The re-assessment mainly concentrated on assessing Hikurangi Forest Farms ability to maintain good forest management practices, including sustainability, whilst expanding their harvesting operations and significantly increasing the volume of product since the original assessment.

Forest field site visits were selected to ensure that they provided evidence as to the completion of CARs and Observations raised in previous audits and assessments. All forests visited were selected where harvest and road construction crews were operating or where previous operations were completed. Completed sites were viewed to determine how well they had been tended during establishment operations. Staff and contractors were interviewed in regard to FSC general knowledge and procedures during field visits.

List of management aspects reviewed by assessment team:

<table>
<thead>
<tr>
<th>Type of site</th>
<th>Sites visited</th>
<th>Type of site</th>
<th>Sites visited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road construction</td>
<td>1</td>
<td>Chemical storage</td>
<td>1</td>
</tr>
<tr>
<td>Soil drainage</td>
<td>2</td>
<td>Bridges/stream crossing</td>
<td>3</td>
</tr>
<tr>
<td>Planned Harvest site</td>
<td>1</td>
<td>Steep slope/erosion</td>
<td>2</td>
</tr>
<tr>
<td>Ongoing Harvest site</td>
<td>4</td>
<td>Riparian zone</td>
<td>3</td>
</tr>
<tr>
<td>Soil scarification</td>
<td>1</td>
<td>Weed control</td>
<td>1</td>
</tr>
<tr>
<td>Skidding/Forwarding</td>
<td>4</td>
<td>Endangered species</td>
<td>1</td>
</tr>
<tr>
<td>Clearfelling/Clearcut</td>
<td>4</td>
<td>Historical site</td>
<td>2</td>
</tr>
</tbody>
</table>

2.6. Stakeholder consultation process

The purpose of the stakeholder consultation strategy for this assessment was threefold:

1) To ensure that the public is aware of and informed about the assessment process and its objectives;
2) To assist the field assessment team in identifying potential issues; and,
3) To provide diverse opportunities for the public to discuss and act upon the findings of the assessment.

This process is not just stakeholder notification, but wherever possible, detailed and meaningful stakeholder interaction. The process of stakeholder interaction does not stop after the field visits, or for that matter, after even a certification decision is made. SmartWood welcomes, at any time, comments on certified operations and such comments often provide a basis for field assessment.

In the case of Hikurangi Forest Farms Ltd prior to the assessment, a Public Briefing Paper was developed by the Smartwood Asia Pacific Office and distributed by the FME as an email to 43 stakeholders. The paper described the scope of the certification reassessment, named the Auditor team leader, and described the re-assessment steps and schedule, and the ways in which stakeholders could provide input to the re-assessment.

SmartWood received no written comments prior to the e-assessment by the Auditors. During the re-assessment, the Auditors consulted with stakeholders. The approach was to purposefully select stakeholders or representative of stakeholder groups, in order to address the principles of FSC and resolve any issues observed during the audit.
The sources of stakeholders were:
- Stakeholders who contacted SmartWood during the re-assessment and were referred to the auditors.
- Stakeholders on the FME’s Stakeholder List.
- New contacts developed by the Auditor.

During the re-assessment, the Auditor contacted stakeholders in the following ways:
- Field inspection with stakeholders, mostly contractors.
- Telephone interviews with stakeholders.
- Face-to-face interviews with stakeholders.

<table>
<thead>
<tr>
<th>Stakeholder Type (NGO, government bodies, local inhabitant, contractor etc.)</th>
<th>Stakeholders Notified (#)</th>
<th>Stakeholders consulted directly or provided input (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local/Regional NGOs</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Local Community members</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Govt Agency</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Iwi</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Suppliers</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Contractors</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
3. ASSESSMENT FINDINGS AND OBSERVATIONS

3.1. Stakeholder comments received

The stakeholder consultation activities were organized to give participants the opportunity to provide comments according to general categories of interest based upon the assessment criteria. The table below summarizes the issues identified by the assessment team with a brief discussion of each based upon specific interview and/or public meeting comments.

<table>
<thead>
<tr>
<th>FSC Principle</th>
<th>Stakeholder comment</th>
<th>SmartWood response</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1: FSC Commitment and Legal Compliance</td>
<td>No comments</td>
<td>No response needed</td>
</tr>
<tr>
<td>P2: Tenure &amp; Use Rights &amp; Responsibilities</td>
<td>No comments</td>
<td>No response needed</td>
</tr>
<tr>
<td>P3 – Indigenous Peoples’ Rights</td>
<td>Iwi are very pleased with the consultation process HFF implements. Iwi are informed consistently, meetings are held plans formulated and HFF follows through with those. Representatives from the Iwi have been invited to visit Archaeological sites of importance and HFF have included a Minister to bless workers prior to a harvesting operation.</td>
<td>HFF operates with legal forestry lease agreements that govern the company’s relationship with local Iwi and Maori land owners.</td>
</tr>
<tr>
<td>P4: Community Relations &amp; Workers’ Rights</td>
<td>No comments</td>
<td>No response needed</td>
</tr>
<tr>
<td>P5: Benefits from the Forest</td>
<td>There was some concern that there was no consistency in contacts with the FME when harvest operations are undertaken. During the silviculture stage, owners of neighbouring properties dealt with the same FME personnel over the rotation of the crop but this changed when log operations began.</td>
<td>The FME has changed practices so that where there may be an issue they have continued with the same point of contact for neighbours with the FME when logging operations starts.</td>
</tr>
<tr>
<td>P6: Environmental Impact</td>
<td>Department of Conservation (DOC) acknowledges HFF’s huge effort to conservation aspects of their forests and estate. HFF are approachable by DOC and work together in regard to boundary issues and PMA’s and their integrity. Resource consents, granted by Gisborne District Council (GDC) have been breached according to GDC due to ‘slash debris and log ends being</td>
<td>HFF has consulted with the GDC in application for resource consents. These consents outline operational requirements prior to and during harvesting and road creation. HFF are required to adhere to these specifications or face enforcements under the Resource Management Act 1991.</td>
</tr>
</tbody>
</table>
pushed off the edge of some landings, causing slope failures’ and ‘replanting of some sites not occurring the winter immediately following harvesting’. At this stage GDC is not pursuing enforcement however they stated this will occur if these acts continue without improvement.

<table>
<thead>
<tr>
<th>Principle</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P7: Management Plan</strong></td>
<td>No comments</td>
<td>No response needed</td>
</tr>
<tr>
<td><strong>P8: Monitoring &amp; Assessment</strong></td>
<td>DOC are pleased with HFF’s biodiversity monitoring efforts as well as their commitment to protecting rare, threatened and endangered species. DOC also recognised HFF’s initiative and non-reliance on DOC for surveying and monitoring eg: Kiwi and Falcon and are very pleased with this aspect of their operations.</td>
<td>No response needed</td>
</tr>
<tr>
<td><strong>P9: Maintenance of High Conservation Value Forest</strong></td>
<td>No comments</td>
<td>No response needed</td>
</tr>
<tr>
<td><strong>P10 - Plantations</strong></td>
<td>No comments</td>
<td>No response needed</td>
</tr>
</tbody>
</table>

3.2. **Main strengths and weaknesses**

<table>
<thead>
<tr>
<th>Principle</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P1: FSC Commitment and Legal Compliance</strong></td>
<td>The company is committed to the whole FSC process and has a process for regular updates of the relevant laws of the land.</td>
<td>No weaknesses noted.</td>
</tr>
<tr>
<td><strong>P2: Tenure &amp; Use Rights &amp; Responsibilities</strong></td>
<td>HFF has a commitment to resolution of disputes through on-going consultations and open communication. Where required consultation is carried out with the owners of lease blocks or the owners of land where HFF have cutting rights. Various other bodies such as the Waitangi Tribunal are also consulted. Legal agreements are in pace with all land owners on which HFF carry out forest activities. HFF have a formal Disputes Resolution Policy. There have been no major disputes.</td>
<td>Consistency of point of contact between HFF and stakeholders was an issue. This has been resolved recently by retaining the same contact person during silviculture through to the harvesting operation.</td>
</tr>
<tr>
<td><strong>P3 – Indigenous Peoples’ Rights</strong></td>
<td>HFF are demonstrating a high level of commitment and respect to the preservation of sites of cultural, historical and spiritual significance to Maori people. Upon discovery of a</td>
<td>No weaknesses noted.</td>
</tr>
</tbody>
</table>
new Archaeological site the forest manager is notified and the representative from the NZHPT carries out a survey and evaluates the authenticity and significance of the site. All significant sites have been accurately mapped using GPS and are marked as default on company maps. HFF follow protocols set out and demonstrate practical and protective solutions to the harvesting of trees within these sites with preservation as a key factor.

**P4: Community Relations & Workers' Rights**

HFF has a strong commitment to employing local labor where possible and is focused on developing long term relationships with its contractors, customers and suppliers.

Recently HFF have financed an independent harvest contractor to enable him to join the industry and thereby secured a competent and local workforce.

HFF have mechanisms in place for resolution of issues, disputes and grievances relevant to all parties; HFF staff, stakeholders, the general public and contractors.

No weaknesses noted.

**P5: Benefits from the Forest**

HFF is generally perceived as a good neighbour and employer. Contractors were happy with their relationship with HFF and were paid reasonable rates and on time.

HFF provides positive economic benefit to local communities, through employment and other services required supporting their forest operations. HFF, with their parent company are in the process of developing a processing facility to provide ‘added value’ to the forest resource. This will bring employment opportunities to the area.

There is a problem in the region with finding a market for low grade logs such as pulp. Little progress has been made by the forest industry in the area or nationally. There may be some use for lower grade logs at the processing facility that HFF are building at Gisborne.

**P6: Environmental Impact**

HFF perform biodiversity monitoring in order to capture ‘change over time’ data within their estate. This information will indicate whether or not their harvesting operations have a positive, stable or negative effect on the indigenous biodiversity neighbouring their forest plantations.

HFF have not developed a database to allow electronic input from their biodiversity monitoring, thus no trends nor conclusions can be made as to HFF’s effects or impacts on native biodiversity through forestry operations.
Monitoring efforts occurred annually for the first few years and are now on a biannual basis.
HFF have been proactive in their protection of indigenous vegetation areas present within their estate. In some cases HFF have protected individual trees that they deem as being important for native fauna. The company has also set aside small areas of kanuka and manuka for protection.
HFF chemical store and inventory system is well maintained, effective and up to date.
HFF have also made priority surveying for endangered species. Kiwi monitoring has taken place, along with North Island Robin monitoring. Future monitoring efforts will focus on falcon presence and habitats utilized by them.

<table>
<thead>
<tr>
<th>P7: Management Plan</th>
<th>Information is very well documented and plans contain all the necessary details to carry out forest operations.</th>
<th>No weakness noted</th>
</tr>
</thead>
<tbody>
<tr>
<td>P8: Monitoring &amp; Assessment</td>
<td>HFF performed annual and now performs biannual monitoring within</td>
<td>No data analysis is being performed on the information collection from</td>
</tr>
<tr>
<td><strong>P9: Maintenance of High Conservation Value Forest</strong></td>
<td>PMA’s for biodiversity and change over time; all of which relates to ecosystem health and in time will indicate whether or not forestry operations are having a positive, negative or no significant impact on the native biodiversity surrounding it. HFF also contracts a Biosecurity company to perform forest health surveillance annually through an aerial survey and a ground survey. This surveillance is comprehensive and will likely pick up outbreaks of forestry pest and diseases. Communication about wilding pine and their control has been opened with neighbouring properties and DOC.</td>
<td></td>
</tr>
<tr>
<td><strong>P10 - Plantations</strong></td>
<td><strong>biodiversity monitoring or RT&amp;E species observations.</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Refer to Observation 07/10, 8.2.1</strong></td>
<td></td>
</tr>
</tbody>
</table>

|  | |
| **P9: Maintenance of High Conservation Value Forest** | HFF has consulted with an ecologist and the Department of Conservation to ascertain whether any part of their estate contains HCVF. To date no area within their tenure has been categorised as HCVF. |
|  | No weakness noted |

| **P10 - Plantations** | Plantation management demonstrates a high level of adherence to best management practices. Monitoring of the exotic estate is documented as a standard procedure. Pest control within riparian zones and PMA’s as well as throughout the plantation forestry is performed to a responsible level. Mosaics of plantation forestry acts as wildlife corridors for some native species, enabling genetic flow and individual movement for greater territories, home ranges and resource gathering. Plantation forestry also has positive outcomes for riparian zones by creating a buffer and lessening edge effects which could seriously affect the indigenous riparian ecosystems and assisting in protecting and enhancing streams and water quality, through shading of streams and preventing soil erosion and which were previously exposed due to farming activities. |
|  | **HFF have not been performing riparian zone weed surveillance or control.** |
|  | No weed control or surveys have been performed within riparian zones during post-harvest operations. |
|  | **Refer to Observation 08/10, 10.2.7** |
3.3. Identified non-conformances and corrective actions

A non-conformance is a discrepancy or gap identified during the assessment between some aspect of the FME’s management system and one or more of the requirements of the forest stewardship standard. Depending on the severity of the non-conformance the assessment team differentiates between major and minor non-conformances.

- **Major non-conformance** results where there is a fundamental failure to achieve the objective of the relevant FSC criterion. A number of minor non-conformances against one requirement may be considered to have a cumulative effect, and therefore be considered a major nonconformance.
- **Minor non-conformance** is a temporary, unusual or non-systematic non-conformance, for which the effects are limited.

Major non-conformances must be corrected **before** the certificate can be issued. While minor non-conformances do not prohibit issuing the certificate, they must be addressed within the given timeframe to maintain the certificate.

Each non-conformance is addressed by the audit team by issuing a corrective action request (CAR). CARs are requirements that candidate operations must agree to, and which must be addressed, within the given timeframe of a maximum of one year period.

**Evaluation of open CARs:**

<table>
<thead>
<tr>
<th>CAR 01/09</th>
<th>Reference to Standard: 8.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-conformance: Major X Minor</td>
<td>The FME has not updated the CoC or trademark use procedures to meet the current requirements.</td>
</tr>
</tbody>
</table>

**Corrective Action Request:**
The FME shall update the CoC procedures to ensure all the current requirements stated in the SmartWood Chain of Custody Standard for Forest Management Enterprises (FM 35). This revision shall also include all requirements for FSC STD 40-201 (FSC On Product Labeling Requirements) and FSC TMK 50-201 V1.0 (FSC Requirements For The Promotional Use of the FSC Trademarks by FSC Certificate Holders).

**Timeline for conformance:** Within three months of this report

**Evidence to close CAR:** A complete set of CoC procedures were available for the auditors to review during the audit. These were assessed as being compliant with requirements and have been further commented on in Appendix IV. Evidence was obtained for approval of FSC logos on company invoices.

However, there was a misunderstanding of what constitutes a trademark and approval had not been sought for the wording used in...
the FME website. Approval has since been requested from Smartwood for the web site wording and this CAR can be deemed closed.

<table>
<thead>
<tr>
<th>CAR Status:</th>
<th>Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follow-up Actions (if app.):</td>
<td>nil</td>
</tr>
</tbody>
</table>

**CAR 02/09**  
**Reference to Standard:** 3.3.4  
**Non-conformance** Contractor employed staff are not trained in recognition of archaeological site identification.  
**Major** □  

**Corrective Action Request:**  
The FME shall introduce specific training to ensure contractor staff working in the forest have the ability to recognize possible sites of cultural significance or archeological sites, and can carry out procedures to ensure these sites are reported and protected as required.

**Timeline for conformance:** Prior to next annual audit  
**Evidence to close CAR:** A new field guide for recognition of Historic sites has been produced. This has been distributed to staff and contractors along with a road show presentation from HFF staff to explain the significance and requirements. Subsequent to this 2 new archaeological sites have been discovered within an HFF forest. A sign off form ensures all persons present have received training and/or the field guide.

<table>
<thead>
<tr>
<th>CAR Status:</th>
<th>Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follow-up Actions (if app.):</td>
<td>nil</td>
</tr>
</tbody>
</table>

**CAR 03/09**  
**Reference to Standard:** 6.6  
**Non-conformance** FME has not ensured the first aid requirements stated on the MSDS sheets and also on the chemical containers is actually correct.

| Major | Minor X |

**Corrective Action Request:**  
The FME shall ensure that the correct first aid procedures are in place to ensure staff and worker safety and that these procedures comply with current product based first aid requirements stated on the MSDS sheets.

**Timeline for conformance:** Prior to next annual audit  
**Evidence to close CAR:** First aid requirements have been checked for all chemicals. Only one discrepancy has been noted. This has been rectified and the supplier notified.

<table>
<thead>
<tr>
<th>CAR Status:</th>
<th>Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follow-up Actions (if app.):</td>
<td>nil</td>
</tr>
</tbody>
</table>

**New CARs issued during this evaluation:**

**CAR 01/10**  
**Reference to Standard:** COC 3.1  
**Non-conformance** The truck delivery dockets have the FME’s FSC code but do not include the FSC material category.

| Major | Minor X |

**Corrective Action Request:**  
The FME shall ensure that all delivery dockets and associated paperwork refers to the full material category, in this instance FSC Pure.

**Timeline for conformance:** Prior to next annual audit
3.4. Observations

Observations are very minor problems or the early stages of a problem which does not of itself constitute a nonconformance, but which the auditor considers may lead to a future nonconformance if not addressed by the client. An observation may be a warning signal on a particular issue that, if not addressed, could turn into a CAR in the future (or a pre-condition or condition during a 5 year re-assessment).

**OBS 01/10** Reference Standard & Requirement: 6.2.5

Falcon 'nest' was identified by HFF staff. No official survey was performed; or management or protection protocols in place, nor any mapping of the site to warn staff or contractors in the area of the site through GPS / mapping of location.

**Observation:** Possible Falcon nest area CPT 8 Mangarara Forest should be correctly identified, and any protection provided for this location.

**OBS 02/10** Reference Standard & Requirement: 6.2.8

Lack of timely manner for contractors to inform Forest Managers of observance of a RT&E species. HFF should provide contractors with a report sheet for any sightings or encounters with RT&E species. Harvest Completion Reports have included with them a section on RT&E species, however a report sheet that can be completed at the time of encounter with information on the species, location including forest and compartment and the behaviour the animals was observed doing and the habitat type it was observed in, should all be quickly relayed to the Forest Manager for better protection of these species and the areas they utilize within the HFF estate.

**Observation:** A Report System should be developed for more efficient reporting of RT&E species to Forest Managers by logging and roading contractors.

**OBS 03/10** Reference Standard & Requirement: 6.2.8

Lack of flora and fauna in contractor training material for identification of RT&E species. HFF’s RT&E species training of contractors should not only contain bird species but also include RT&E species of other possibly encountered flora and fauna, such as lizards (skinks and geckos).

**Observation:** RT&E species should be extended to include lizards and plants that may be encountered.
within the HFF estate.

<table>
<thead>
<tr>
<th>OBS 04/10</th>
<th>Reference Standard &amp; Requirement: 6.6.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bunding for chemicals is insufficient within the chemical store. However this store is being decommissioned and replaced with a new store at the new processing facility.</td>
<td></td>
</tr>
<tr>
<td>Observation: Chemical bunding should be utilized within the new chemical store to contain possible chemical leaks and spills.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>OBS 05/10</th>
<th>Reference Standard &amp; Requirement: 6.6.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>No sawdust with Spill kit for HarvestPro Log 7 logging contractors.</td>
<td></td>
</tr>
<tr>
<td>Observation: Sawdust should be maintained by contractors in their spill kits to contain and manage fuel and oil spills onsite.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OBS 06/10</th>
<th>Reference Standard &amp; Requirement: 6.6.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>HFF internal audit checklist only states ‘spill kit’ and does not separately specify saw dust.</td>
<td></td>
</tr>
<tr>
<td>Observation: HFF’s internal audit checklist should separate sawdust from spill kit so that both are present on site with harvesting contractors.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OBS 07/10</th>
<th>Reference Standard &amp; Requirement: 8.2.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of a database for biodiversity monitoring information and data.</td>
<td></td>
</tr>
<tr>
<td>Observation: HFF should utilize an electronic database for biodiversity monitoring results in order to analyse and discover trends relating to change over time within their PMA’s.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>OBS 08/10</th>
<th>Reference Standard &amp; Requirement: 10.2.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>No weed control or surveys within riparian zones after harvesting operations performed.</td>
<td></td>
</tr>
<tr>
<td>Observation: HFF should perform post-harvesting weed surveys along and within the riparian zones and PMA boundaries to insure noxious weeds do not gain entry to these and they are protected from infestation.</td>
<td></td>
</tr>
</tbody>
</table>
3.5. Certification Recommendation

Based on a thorough review of FME performance in the field, consultation with stakeholders, analysis of management documentation or other audit evidence the SmartWood assessment team recommends the following:

<table>
<thead>
<tr>
<th>Certification requirements met;</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Upon acceptance of CAR(s) issued above</td>
<td></td>
</tr>
</tbody>
</table>

| Certification requirements not met                   |   |

FME has demonstrated that their described system of management is being implemented consistently over the whole forest areas covered by the scope of the evaluation

Yes [x]  No [ ]

Comments: Observations by the audit team indicate that the FME’s described system for plantations and native vegetation is being implemented over the whole forest area covered by the scope of the evaluation.

Yes [x]  No [ ]

Subject to conformance with minor CARs (if applicable), FME’s management system, if implemented as described, is capable of ensuring that all the requirements of the certification standards are met across the scope of the certificate.

Yes [x]  No [ ]

Comments: It is the findings of the assessment team that the FME’s management system is capable of ensuring that all requirements of the certification standards are met across the scope of the certificate.

Yes [x]  No [ ]

Issues identified as controversial or hard to evaluate.

Yes [x]  No [ ]

Comments: There was no controversial or hard to evaluate issues raised.

Certificate type recommended:

- Forest management and Chain of custody [x]
- Forest management only (no CoC) [ ]

Once certified, the FME will be audited annually on-site and required to remain in conformance with the FSC principles and criteria as further defined by regional guidelines developed by SmartWood or the FSC in order to maintain certification. The FME will also be required to fulfill the corrective actions as described below. Experts from SmartWood will review continued forest management performance and conformance with the corrective action requests described in this report, annually during scheduled and/or random audits.
4. CLIENT SPECIFIC BACKGROUND INFORMATION

4.1 Ownership and land tenure description

HFF owns or manages 19 separate forests spread over a large geographic range; from Anaura Bay in the North to the Raukumara Ranges in the West, to Te Reinga in the South. Ten are freehold, six are forestry rights (primarily with Maori interests), two are cutting rights and one is leasehold. The tenure description of each individual forest is contained in the public summary (see appendix I).

The total estate managed by HFF measures 35,005 ha. Of this 28,605ha is in plantation 4,456 ha is described as reserve and 1,944 ha is described as service areas or unproductive land. Plantation accounts for approximately 80% of total forest/scrub covered area and reserves approximately 14% of the same. Many reserves are either held in trust for the Queen Elisabeth 2 Trust or as Protected Management Areas (PMAs) as designated by the Department of Conservation (DoC).

HFF have also set aside numerous areas of native vegetation which do not meet either of these categories.

4.2 Legislative and government regulatory context

The main legislation affecting the HFF operations and their environmental management is the Resource Management Act 1991 (RMA) and its 1993 Amendment. The RMA is designed to combine a number of environmental laws under one. The outcomes of forest operations are largely controlled through this Act by the use of such documents as resource consents.

The RMA is administered throughout NZ by local authorities under terms explained in their own relevant regional and/or district plans. Although the RMA is the main legislation affecting HFF they also abide by a number of other Acts and Regulations that affect forest management practices.

These include:

- Biosecurity Act 1993
- Conservation Act 1997,
- Forests Act 1949,
- Forest & Rural Fires Act 1977,
- Hazardous Substances and New Organisms Act 1996,
- Health & Safety in Employment Act 1992,
- Historic Places Act 1993,
- Reserves Act,
- Resource Management Act 1991 (referred to hereafter as the RMA),
- Transport Act 1962,
- Trespass Act 1980,
- Wildlife Act 1953,
- Workplace Relations Act 2000,
- Fencing Act 1978,
- Treaty of Waitangi Act 1975,
- Wild Animal Control Act 1977,
- Crown Forests Asset Act 1989,
- Rural Fire District Regulations 1980;
- Trade in Endangered Species Act 1989;

4.3 Environmental context

Plantation forestry was established in New Zealand during the late 1800s. The establishment of the New Zealand Forest Service in 1919 further developed this plantation forest resource. HFF plantation forests are located on the North Island’s East Coast region. In this region plantation forestry did not gain a foothold till the late 1940s early 1950s. By 1960 East Coast forests were established at Wharerata and Mangatu and by the late 1960s over 31,000ha had been established by the New Zealand Forest Service.
in this region. Over New Zealand further major plantings during the 1970’s and mid 1990’s, has extended the total planted forest estate to approximately 1.8 million ha or 6.5% of the total land area. Of this, the East Coast contains an estimated 130,000 ha of plantations with approximately 96% planted in radiata pine. HFF forests at present are predominately radiata but Douglas fir is gaining a foothold both in the East Coast and HFF estate, especially in elevations above 700m.

While in the past large areas of indigenous vegetation have been cleared to make way for plantations, since the 1990s exotic forests have been established principally on areas previously cleared for agriculture. Similarly most of the land owned or purchased by HFF has originally been cleared for agriculture. Indigenous areas within the HFF forest estate have protection under many of New Zealand’s laws and agreements (e.g. Forest Accord, Resource Management Act, Conservation Act) as well as being set aside as reserves by the company itself.

The East Coast region experiences slips, landslips, and large earth movements. Much of this erosion has resulted from the loss of native forest throughout the area and its replacement by pasture. New Zealand’s native forests are characterised by very slow growing trees (podocarp) which keep their foliage in winter. Podocarps have a dense leaf litter and soils tend to erode slowly in this native forest type than when compared to a pasture based regime. In the East Coast the conversion of hill country forest to pasture has resulted in these soils eroding badly. In 1992, the Government introduced the East Coast Forestry Project. This Government funded initiative has the aim of planting 7,000 ha a year of commercially productive forest on eroding and erodible land. Many of the forests on the East Coast have been subsidised by this scheme.

With the high erosion tendency of the soil, Resource Consent conditions have been formulated to reduce the risks of soil sloughing off the land. In the case of HFF’s estate this has resulted in the company having to plant willow poles along the edges of designated streams. Additionally where indigenous riparian vegetation does not exist, to help retain the soil, plantation trees have to be planted right up to the water edge; therefore setbacks are not always established. Due to most of HFF’s estate being planted on previous farmland, much of the indigenous riparian vegetation has disappeared.

While exotic plantation forests are often thought of as being devoid of the many important indigenous biodiversity values due to the presence of relatively high invertebrate abundance many native avian species use this forest resource. Avian diversity is further enhanced when the exotic forests have a mosaic of indigenous forest and scrub contained within them. Exotic plantations can also have relatively high plant species richness, especially when stands get older and the native understory is retained. Such a rich understory exists in many of HFF forests. This species richness tied in with the presence of high levels of invertebrate abundance means that these forests can have a significant role to play in conserving and fostering indigenous biodiversity. HFF recognises this potential and is implementing biodiversity monitoring with the aim of assessing the native biodiversity values present not only within the indigenous remnants but the plantation forest itself.

Effective control of predators (e.g. stoats, ferrets, weasels, rats, mice, hedgehogs, and possums) in exotic plantations can bring large increases in abundance of many native bird species and may provide species' reservoirs that can have positive flow-on effect for neighbouring indigenous areas. Browser (e.g. possums, goats, deer, and pigs) control not only protects the plantation forest but it can also enhance the native biodiversity value of the forest. Therefore it is important for forestry companies to develop integrated pest management programmes. HFF is already moving towards this and has already started to assess damage to PMAs within its estate. The data collected from these assessments will be used by HFF to monitor the amount of browser damage and thus help focus future pest control. While forestry companies, the New Zealand government and research institutes are seeking alternatives to these poisons, effective large-scale non-chemical alternatives are not yet available. As a consequence, to achieve cost-effective control of mammalian pests, in New Zealand we have depended upon chemical poison use. Thus similar to most forestry operations in New Zealand there is a conflict between HFF meeting national Biosecurity commitments and its adherence to the FSC’s chemical use P&C. Pesticides such as 1080, cyanide and brodifacoum are listed as type 1a or 1b by the World Health Organisation (WHO). These chemicals are prohibited under FSC Criterion 6.6.
HFF use of chemical is consistent with the usage of chemical by other forestry companies. To meet their FSC commitments HFF is continually seeking to reduce chemical usage and is in the process of trialling lower concentrations of herbicide. HFF is committed to reducing chemical usage and eventually phasing out their use completely.

**4.4 Socio-economic context**

According to the Ministry of Agriculture and Fisheries, the total log harvest for New Zealand tripled, from 5 million cubic meters in 1968 to over 18 million cubic meters in 2001. Further, increases were predicted with an annual harvest reaching 30 million cubic meters by 2010. However the most recent figures show that round-wood removals between 2002 and 2009 remained around 20 million cubic meters. The majority of this is attributable to plantation forests.

Round-wood removals in the East Coast/ Hawkes Bay region have remained stable at between 2 and 2.6 million cubic meters since 2001 but is expected to increase. The log and timber industry has the potential to become the dominant industry on the East Coast. The East Coast alone is expected to be harvesting up to 3 million cubic meters of logs by 2018.

The East Coast and Gisborne region is considered to be eminently suitable for forestry and forest operations. There is a warm climate and moderate annual rainfall (1000 – 1500mm), providing for ideal conditions and exceptional growth rates for Radiata Pine. Forestry has been identified as a sustainable land use for the East Coast land as it provides stability for the soil and good returns per hectare. The East Coast also offers a huge potential for further forestry development as the total area now planted represents only a fraction of the available land in the region. The long steep hill slopes combined with erosion prone young soils has meant that land previously cleared for pastoral farming has become marginal and is now better suited for a productive forestry land use. The East Coast Forestry Project was established in the early nineties and MAF have provided funding to landowners to prevent and control erosion. Forestry is recognized as having a significant role in improving the economic development and social well being of the region.

Hikurangi Forest Farms Limited (HFF) is one of more than five major forestry organisations with commercial forest plantations providing a major economic asset to the East Coast area. There are a considerable number of smaller privately owned forest areas that make up a reasonably high percentage of the total forested area. The combined annual log output for East Coast/Hawkes Bay for the period 2001-09 has been more than 2 million cubic meters and peaked at over 2.6 million cubic meters in 2009. HFF as a company, and under previous ownership, has been operating in the area for more than thirty years. Some staffs have been with the company for much of this time and they are in a good position to monitor the change in the industry and the socio-economic impact that it is having. Staff commented that with the close of the freezing works and the rise of forestry operations on the East Coast the impact of forestry on the local Gisborne community is more pronounced. It was commented that in the regions, because of the centralization of forestry operational offices there is less forest activity and some workers are choosing to live in town. However, there are some, smaller, rural communities, such as Tolaga Bay and Wairoa, which have benefited from forestry as companies seek to employ contractors who are close to their remote forests.

The township of Gisborne is benefiting from the forestry industry, which is employing local labour who then supports local services and suppliers. Forestry contractors predominantly live in Gisborne and travel each day to work in the various forests. Some crews can spend up to 3 hours travel time each day which has been identified as an issue for some workers. Forest companies have managed their contract crews to minimize travel times.

The East Coast area and Gisborne district has a wealth of heritage both pre and post European contact. Gisborne is the most easterly city in New Zealand and is thought to be the area where the waka Horouta landed in early Maori times as well as the area of New Zealand first sighted by Captain James Cook. According to the traditions and tikanga of the Ngati Porou, they are “people of this land since the beginning of time”. The Ngati Porou claims that when Maui fished up the North Island, his waka "Nukutaimemeha" was cradled on the top of their ancestral mountain, Mt Hikurangi. In Maori legend and
history, Hikurangi was a key provider of nourishment and sustenance for his people over many centuries. This role ended with colonization and the felling of native timber and the clearing of lands for farming.

The forest industry on the East Coast has the potential for considerable growth but has not been realized over the last 10 years. The forest industry in NZ has been static with 25% of sawmills or processing plants closing down in the last 10 years and the export log trade has been volatile. There are a number of important social and economic challenges facing not only HFF but also the industry in general. These are the badly needed upgrades to infrastructure such as public roading, road access to the Gisborne port, the Port itself with ship access, and log storage and handling facilities at the port.

Large volumes of logging trucks and heavy machinery travel down narrow unsealed rural roads that have never been exposed to this form of use. The Gisborne District Council (GDC) acknowledges that the rural road network is vulnerable to traffic increases and a major industry impact such as logging is a huge problem. Forest Companies maintain a close relationship with the Gisborne District council to ensure roading is maintained, road upgrades are carried out and resource consents complied with. Additional issues are noise nuisance and road safety issues that concern rural people living on main logging routes. This negative impact can be especially serious where the local people have not been exposed to large-scale traffic before. Forest companies make every effort to work with neighbours and stakeholders including those living along transport routes.

Another important issue is the shortage of suitably trained people at all levels including silviculture, harvesting, processing, and management. There have been concerns that the current local labour force would not be able to expand to meet the future potential demand for contracting crews. However harvesting and other contracting crews have been brought in from elsewhere and some forestry companies such as HFF have sponsored machinery and local contractors to establish themselves in the area. Also in recent times the Government have eased visa restrictions for some Pacific Island countries and now it is common to find forest workers especially in the silviculture industry from different countries. Every effort however is taken to use local workers.

Contractors, supervisors and crew bosses are now required to attain higher standards and industry compliance. The local Polytech and other teaching organizations are working towards providing the workforce with necessary skills to carry out forest activities effectively and safely. In particular, the paperwork and reporting functions have been targeted, as well as business management and leadership skills, which have been identified as areas of weakness.

Various local groups have been looking at how to attract new people to the industry and how to promote the industry and the available career opportunities. They are proactively setting up business management courses for contractors and forestry workers. They also aim to up-skill the workforce to enhance performance and productivity in the forest. OSH and ACC have also initiated schemes to improve the Health and safety and welfare of those working in the forests.

The biggest issue facing the industry in recent times has been the fluctuating log export market and the lack of processing facilities in the region. This is particularly critical for the lower value pulp grade logs where there simply isn’t a viable market.

The recent downturn has been mainly attributable to the global recession in the last 2 years. Prior to the recession, freight rates increased substantially but these have since eased back. In the last year the log trade and returns have increased markedly mainly as a result of demand from the China market. Due to fluctuations in log returns, forestry companies on the East Coast have re-evaluated their operational policy particularly with regard to adding value. For example, HFF in conjunction with their parent company are in the process of constructing a veneer and plywood facility which may include a saw mill in future.

The long-term nature of forestry indicates that it is here to stay. The challenge for companies in the industry seems to be to achieve a balance between maximizing their ability to extract and deliver logs economically, and a combined environmental and social focus. A social and environmental focus includes the sustainable nurturing of local people, local communities, the forestry workforce as well as the
environment.
APPENDIX I: Public summary of the management plan

(NOTE: To be prepared by the client prior to assessment, Information verified by assessment team)

Main objectives of the forest management are:

**Primary priority**: Maintained as investment to increase the value
Maintain a long term sustainable forestry operation and economic returns to the company’s shareholders.

**Secondary priority**: income from harvesting and sales of roundwood
Provide a sustainable supply of high quality plantation logs for use in further domestic timber processing operations.

**Other priorities**:
Maintain environmental sustainability of forest sites over multiple rotations.

Provide a valuable soil and water conservation function on steep land and water catchments within in the region affected by the HFF forests.

Provide a biodiversity function through dedicated reserves, plantation understorey association, native vegetation within soil and water protection buffers and through active exotic animal pest control programs and exclusion of grazing in the reserves and surrounding plantations.

Provide valuable local employment in an area of New Zealand with historically high unemployment rates. Many of the employees are local indigenous people.

Provide active protection of cultural, historic or endangered species sites with active consultation with local indigenous representative and government conservation personnel.

Provide recreation access through a managed permit system.

**Forest composition**:

Plantation Resource developed on old degrade or uneconomic farmland: Major species is *Pinus radiata* (97% of plantation). Douglas fir planted on high altitude sites which are proven to not be suitable for *Pinus radiata*. 
Description of Silvicultural system(s) used:

New Zealand Direct Sawlog / Peeler Regime: Final crop selection directly achieved using two thinning to waste operations. Harvesting completed using clearcut system. The Clearcut System is required as the plantations are grown on steep hill country with very long slopes requiring harvesting using large cable logging systems. Using large clearcut areas (>5 ha)

<table>
<thead>
<tr>
<th>Silvicultural system</th>
<th>% of forest under this management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Even aged management</td>
<td>100%</td>
</tr>
<tr>
<td>Clear fell Harvest Areas</td>
<td>Individual Harvest Settings range from 6ha to 10ha, as determined by physical constraints of local terrain.</td>
</tr>
</tbody>
</table>

Harvest methods and equipment used:
Large Mobile Cable Systems using Skyline Configurations with and without motorized carriages: Both Tower and Swing Yarde Machines are used.

Estimate of maximum sustainable yield for main commercial species:
Currently harvest volumes are small as HFF only began harvesting in 2001, however this will continue to “ramp up” to a sustainable cut level in the future. The predicted cut from 1 July 2009 to 30 June 2010 is expected to be approximately 432,000 cubic metres. Based on a long term sustainable cut philosophy, the harvest volume will continue to increase on an annual basis, towards a sustainable long term harvest volume. The final harvest cut will be affected by the restrictions of the uneven age class distribution and the higher or lower demands of the company. Current planning is using an estimated sustainable cut of 700,000 – 750,000 cubic metres per annum as one very conservative option for its logistical planning.

Explanation of the assumptions (e.g. silvicultural) upon which estimates are based and reference to the source of data (e.g. inventory data, permanent sample plots, yield tables) upon which estimates are based upon.

Integrated Yield Management System using:
- Comprehensive Permanent Growth and Yield plots for monitoring growth and growth model validation.
- Detailed Sectional Measurement Studies for construction of custom Volume and Taper functions specifically for HFF by independent scientist.
- Comprehensive Individual Forest Stand Inventory program using Marvl and Atlas Cruiser inventory system developed by New Zealand forest Research Institute.
- Construction of individual forest stand yield tables for yield modeling.
- Use of Linear programming computer models: FOLPI then Wood Stock Estate models for longer term forest modeling.
- Development of tactical and operational yield models for accurate 5 and 10 year yield planning.
• Volume reconciliation of Inventory data against actual harvest volumes.
• Independent annual check of yield management as part of annual management audit by independent recognized Forestry Consultant.

**FME organizational structure and management responsibilities** from senior management to operational level (how is management organized, who controls and takes decisions etc.)

HFF has a Function Based Management Structure based on either territorial or commercial functions of the Company:

**Managing Director**: (Rob Hunter)
Responsible for the function and integrity of the Company. Provides strategic and management direction both for short and long term development. Interfaces with the Parent Company and Associated Companies.

**General Manager – Forest Operations**: (Paul Ainsworth)
Oversees all operational functions within the Company and provides operational management direction both for short and long term development. Interface with Parent Company via the Managing Director. Provides the Company Sales function for both overseas and domestic log sales.

**Finance Manager**: (Gerard Archbold)
Responsible for all financial management and integrity. Reports to parent company on all financial and valuation issues.

**Finance Section**:
- **Assistant Account**: (Christine Stewart) Accountant
- **Log Sales Clerk**: (Tina Barton) Clerical function associated with log sales and payment of harvesting and haulage contractors.
- **Clerical Receptionist**: (Kathy Gower) Office and Clerical support to company staff.

**Harvesting Manager**: (Daniel Fraser)
Responsible for Harvesting, Haulage, Woodflow Management, Harvest Planning and Road Construction and Environmental management associated with these activities.

**Harvest / Wood flow / Roading Section**:
- **Harvest Co-ordinators**: (Trevor Tomoana + Todd Buchanan): supervision of the harvesting operations.
- **Woodflow Planner**: (Danny Boyle) co-ordinate the supply of logs to each customer both domestic and export sales, liaises with haulage contractors to ensure efficient use of truck resources, liaise with customers in regard to quality and supply issues.
- **Roading Supervisor**: (Wayne Trafford) responsible for construction and maintaining harvest roads.
- **Harvest Planner**: (Richard Prince) forward planning of harvest operations

**Forest Operations Manager**: (Waiherepe Koia)
Territorial Responsibility for Forest Areas and implementation of the annual planting, silvicultural and forest protection programs.
**Forest Operations Section:**
Operations Co-ordinators: (Warren and Alan Payne) supervise forest work, protection and security programs.

**Information Systems Manager:** (Mat Boonen)
Responsible for Information Technology, Forest GIS and Forest Records.

**Information Systems Section:**
IT Support / Developer: (Tony Wilson) Maintains and develops company computer system: Hardware and Software
Forest Information Specialist: (Andrew Sutherland) Mapping and GIS Specialist

**Forest Planning Manager:** (Ross Wade)
Responsible for Resource and Technical Planning.

Forest Planner: (Kim Mc Donald) forest planning and inventory supervision

**Structure of forest management units** (division of forest area into manageable units etc.)
Resource currently managed as 19 individual forests.

**Monitoring procedures** All procedures are described in the FME management plan which contains details on:
- Resource description of forests and land use
- Socio-economic context
- Current and future forest operations employment and services
- Adjacent lands
- Establishment and silvicultural systems
- General species choice
- Current establishment and silvicultural regimes
- Scheduling and Alternative regimes
- Monitoring forest growth and dynamics
- Permanent sample plots
- Inventory operations
- Harvesting systems
- Spatial information and management systems
- Rare, threatened and endangered species
- Social multiple-use context
- Cultural and historic values and
- Environmental safeguards

Refer to HFF Management Plan – Public Summary (as accessed on the HFF Company Website: Web: http://www.hff.net.nz)

**Environmental protection measures**
HFF utilise a base survey methodology used by the QEII Trust for assessment of their covenants and reserves and have demonstrated the application of the methodology in some Protection Management Area Reserves (PMA) and throughout their forest areas. Assessments have been conducted with the assistance of an ecologist and have been
divided into the following Land Use Classifications:
Covenant Area
PMA Reserves
RAP’s
HFF Riparian Conservation Reserves for Indigenous Vegetation
HFF Non-Riparian Conservation Reserves for Indigenous Vegetation
HFF Riparian Stream Bank and Water Quality Protection Reserves.
HFF Non-Riparian Soil and Water Quality Protection Reserves.
Stocking Gap
Land Bank
Degraded Land

All aspects of environmental protection measures are fully described within the
Indigenous Biodiversity Management Plan.