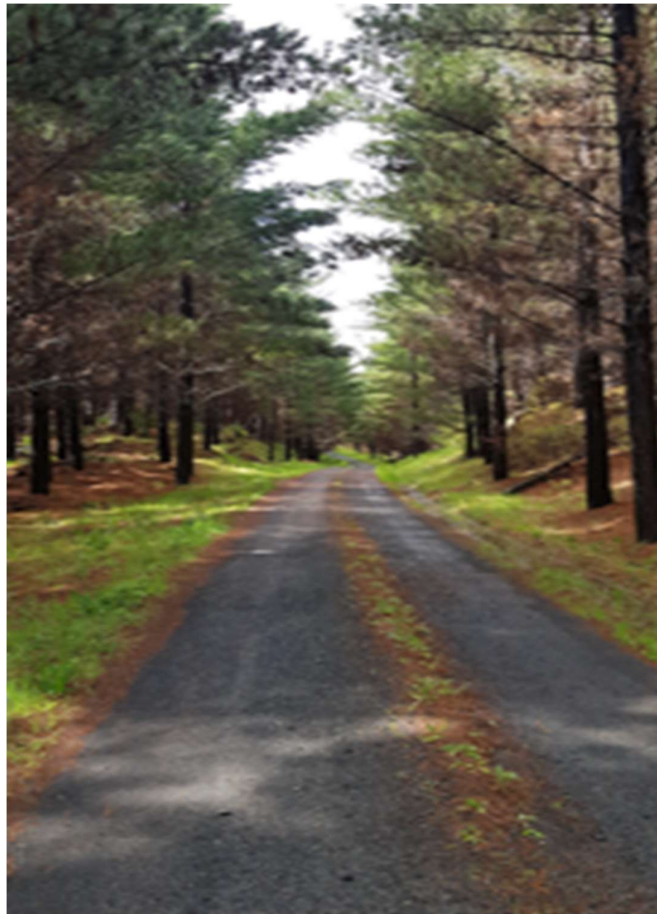




The mark of
responsible forestry



PARENGARENGA INCORPORATION
FORESTRY ANNUAL MONITORING REPORT
YEAR ENDING 30 JUNE 2024



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INTRODUCTION

Parengarenga Incorporation (PINC) is an indigenous Māori organisation based in and with strong historical links to the small Māori community of Te Kao, with Māori shareholders (most of who are from that community), a Māori Committee of Management (also from that community) and within excess of 90% of employees who are Māori and who live in that community.

PINC owns its own whenua, owns the tress on that whenua and cuts its own trees with its own machinery.

PINC achieved Forest Stewardship Council® (FSC) certification on 28 March 2024 for meeting all the requirements of a well-managed plantation forest as provided for in the FSC Forest Stewardship Standard for New Zealand (FSC-STD-NZL-02-2023 V2-0) FSC-STD-50-001 V2-1.

PINC's certificate code is SCS-FM/coc-009980.

FSC is an independent not for profit organisation. Certification demonstrates that the certificate holder's forest is managed based on being environmentally responsible, operational practices are based on sustainability, employment practices are fair and reasonable and meet all legal requirements and the certificate holder engages with the local community and local Iwi in a socially responsible manner.

FOREST DESCRIPTION

General

PINC's forestry business operates on 10,018 hectares of land, of which a little over 7,000 hectares are planted to productive pine. Block A, which covers 6,048 hectares runs parallel to Te Oneroa-a-Tōhē. Block B covers 3,770 hectares and runs parallel to Great Exhibition Bay.

Afforestation commenced late 1960's to early 1970's. Most of the productive forest is on it's second rotation, with some areas in Block A being third rotation.

Land is mainly undulating sand dunes on a coastal sand plain.

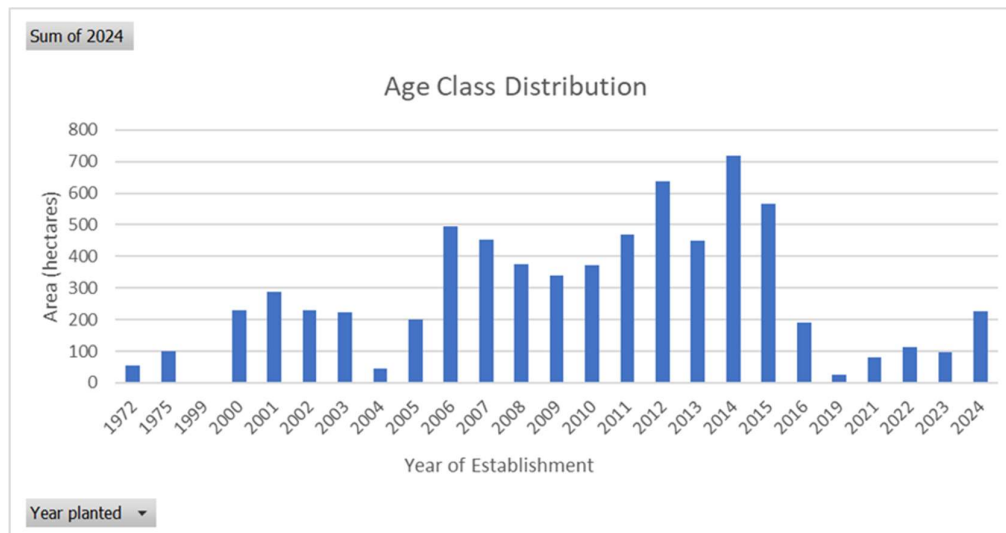
Block A soils on the West Coast are predominantly recent sands in the Pinaki soils suite. These are free draining low nutrient soils, low in nitrogen and copper. There are several small, isolated patches of hard pans where tree growth is poor. Low lying areas where water can be trapped are often high in organic content and peaty. Areas close to the coast, west of No.2 Arterial Road, are typically raw sands, which are very unstructured, young, infertile and highly erodible.

Block B soils on the East Coast are largely Podzol soils. Orthic granular soils are dominant west of SH1 and provide for better growth than the eastern areas. Generally, conditions in Block B, particularly east of SH1, are more challenging than elsewhere.

Age Classification

Year planted	2023	CHANGE	2024	Explanation of differences
1972	55.5	0.0	55.5	
1975	101.1	0.0	101.1	
1999	120.0	-120.0	0.0	120 ha harvested
2000	290.3	-60.0	230.3	63.9 ha harvested; +3.9 ha mapping error
2001	286.6	0.0	286.6	
2002	228.5	0.0	228.5	
2003	221.5	0.0	221.5	
2004	78.4	-34.9	43.5	34.9 ha harvested (short rotation)
2005	201.6	0.0	201.6	
2006	495.7	-0.6	495.1	0.6 ha harvested (short rotation)
2007	451.9	0.0	451.9	
2008	388.5	-12.4	376.1	12.4 ha harvested (short rotation)
2009	341.2	0.0	341.2	
2010	373.4	0.0	373.4	
2011	467.6	0.0	467.6	
2012	638.3	0.0	638.3	
2013	450.8	0.0	450.8	
2014	718.4	0.0	718.4	
2015	566.2	0.0	566.2	
2016	189.3	0.0	189.3	
2019	26.2	0.0	26.2	
2021	79.3	0.0	79.3	
2022	113.3	0.0	113.3	
2023	96.1	0.0	96.1	
2024	0.0	224.7	224.7	Re-establishment, May and June 2024
Totals	6,979.7	-3.2	6,976.5	

Awaiting re-establishment	121.9	4.2	126.1	
Prepared	0		0	
Not prepared	121.9		126.1	
	7,101.6	1.0	7,102.6	1.9 ha released to riparian areas from Cpt 418 (-1.3 ha) and Cpt 402 (-0.6ha); Prior error in Cpt 403 Nett Stocked Area (+3.9 ha); Prior error in Cpt429/3 (-1.0ha)



Forest Health

The last health survey to hand, for Block A, was completed end 2011 (aerial survey at 1,000m parallel transects), to beginning 2012 (ground survey, drive through with 15 health plots). No significant pest or pathogen issues were found. The last health survey to hand, for Block B, was completed end 2019 (ground survey, drive through with 10 health plots). YOE2012 areas were noted to be struggling, despite the application of fertiliser during 2017.

Ongoing informal monitoring by operational staff has revealed no unexpected health issues in the forest. A formalised program of foliage sampling should be taken into consideration, and the mid-rotation fertilising argument should be left open for further discussion.

Yield

The following table provides the most recent information

CLEARFELL YIELD TABLES			Grade mix % of TRV					TRV (m ³ /ha)
Model	NSA (ha)	Age (yrs)	Large sawlog	Small sawlog	Industrial	Postwood	Pulp	
Old Crop	156.6	50+	16%	16%	5%	0%	62%	275
CF-TTW-Inland	971.15	28	53%	24%	0%	2%	21%	567
CF-TTW-Middle	2448.65	28	48%	29%	0%	2%	20%	504
CF_TTW_Coast	1854.5	28	47%	29%	0%	2%	22%	436
CF-PT-Inland	271.15	28	50%	26%	0%	2%	22%	554
CF-PT-Middle	697.55	28	44%	31%	0%	3%	22%	495
CF-PT-Coast	576.9	28	45%	32%	0%	2%	21%	429
	6976.5							489

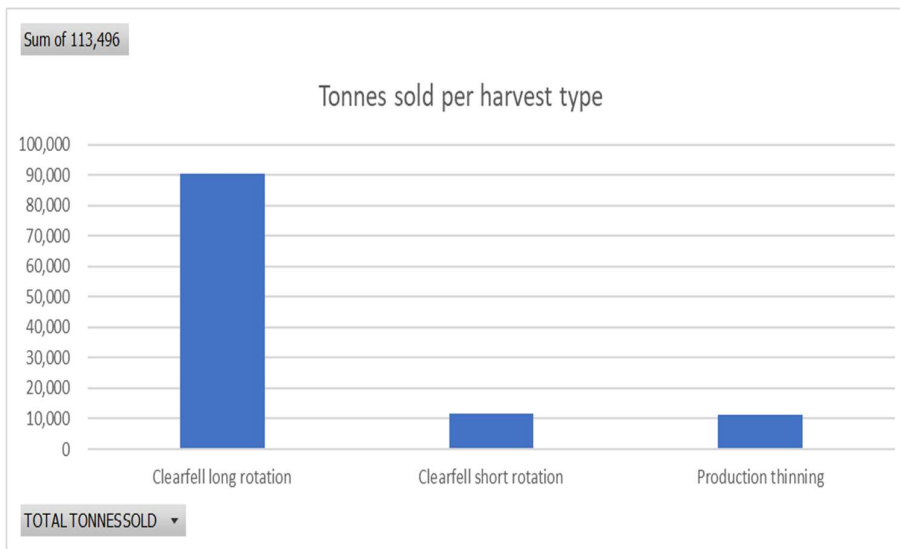
PRODUCTION THIN YIELD TABLES		Grade mix % of TRV		
Model	Age (yrs)	Postwood	Pulp	TRV (m ³ /ha)
PT-Inland	15	50%	50%	100
PT-Middle	15	50%	50%	88
PT-Coast	15	50%	50%	72

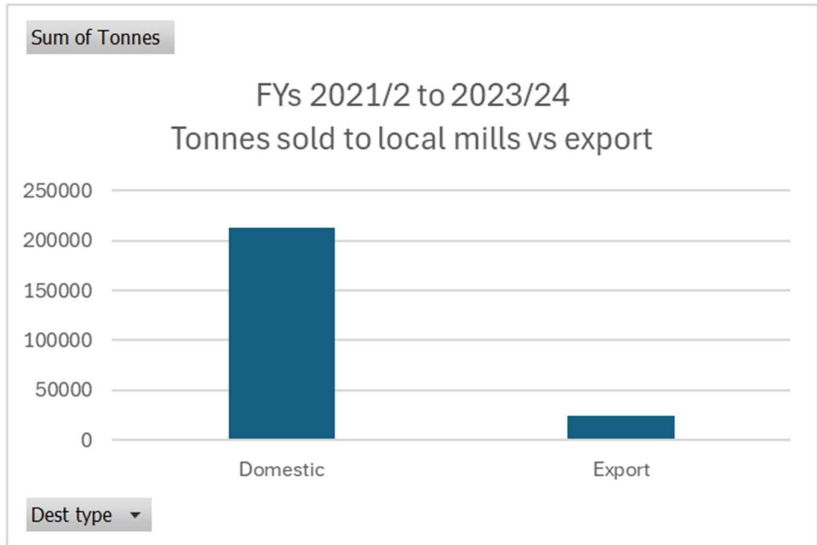
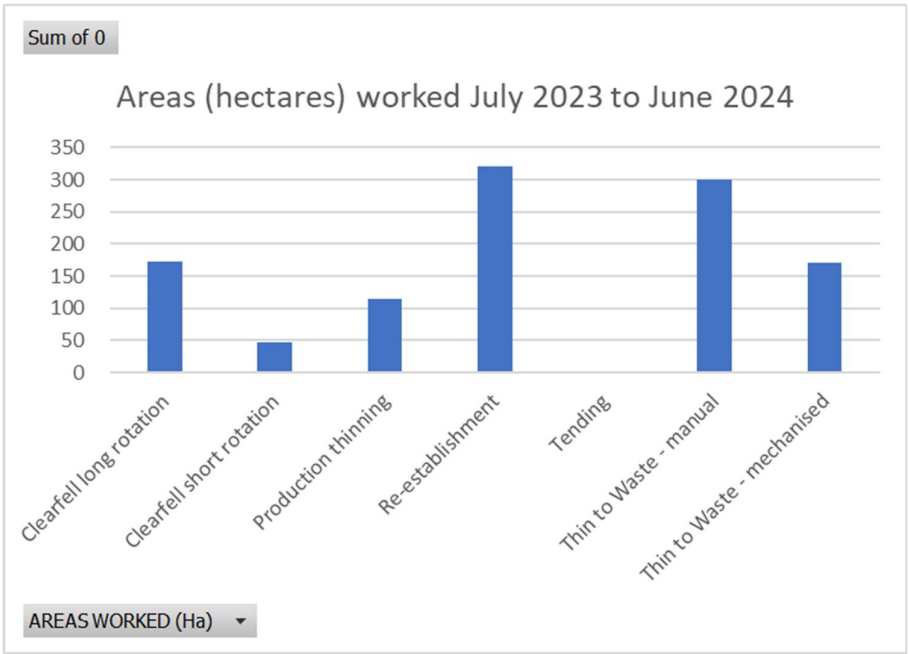
Production Performance

During this year we:

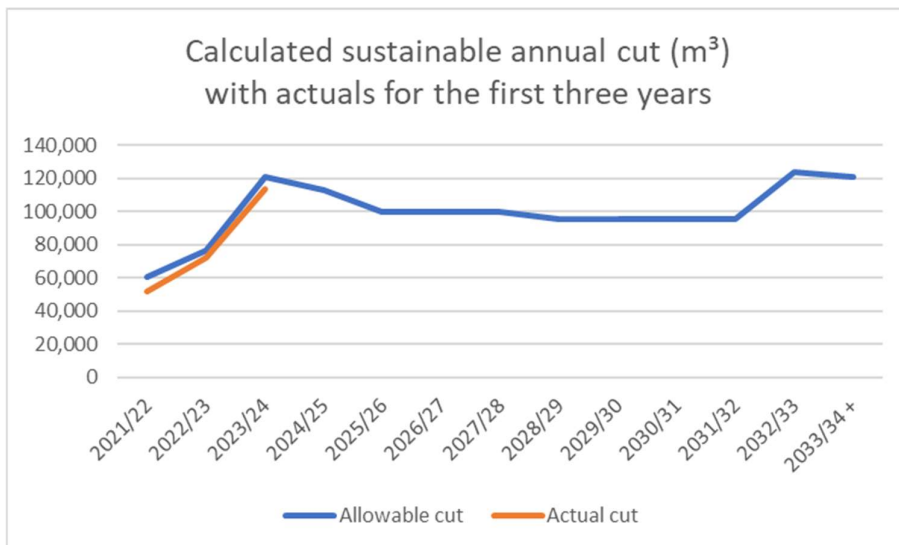
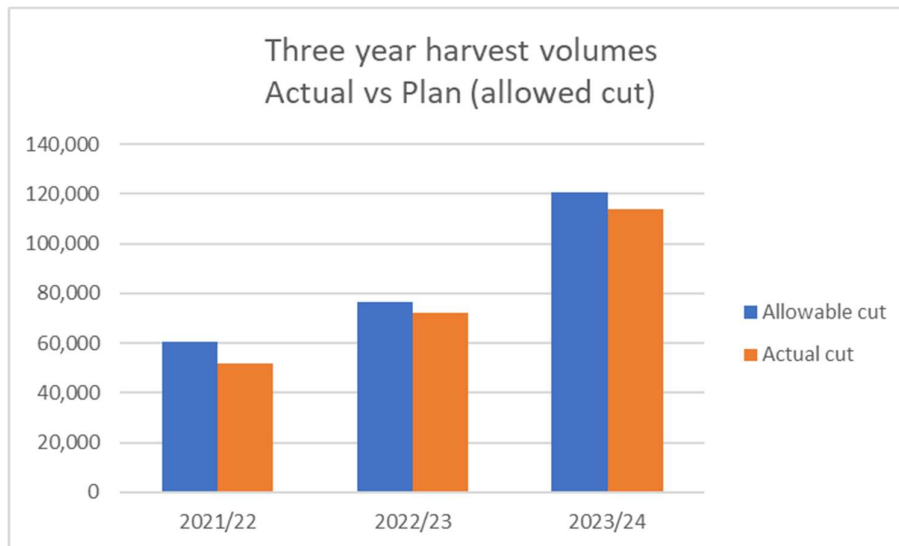
- Clearfell harvested 220 hectares (172 mature + 48 special block) to sell 102,202 tonnes;
- Production thinned 114 hectares to sell 11,294 tonnes;
- Thinned to waste a further 471.6 hectares; and
- Replanted 320.7 hectares (noting all of winter 2023 plantings of 96.1 ha were planted in this financial year (July 2023) and included in this figure (224.7 ha planted May/June 2024)
- Areas lying fallow, awaiting replant, increased from 121.9 ha to 126.1 ha

ACTUAL	FY 2023/24
Work days:	238
TONNES SOLD	113,496
Clearfell long rotation	90644.3
Production thinning	11294.0
Clearfell short rotation	11557.5
AREAS WORKED (Ha)	
Clearfell long rotation	172.1
Production thinning	113.8
Clearfell short rotation	47.9
Thin to Waste - manual	300.8
Thin to Waste - mechanised	170.8
Re-establishment	320.7





Yield Monitoring



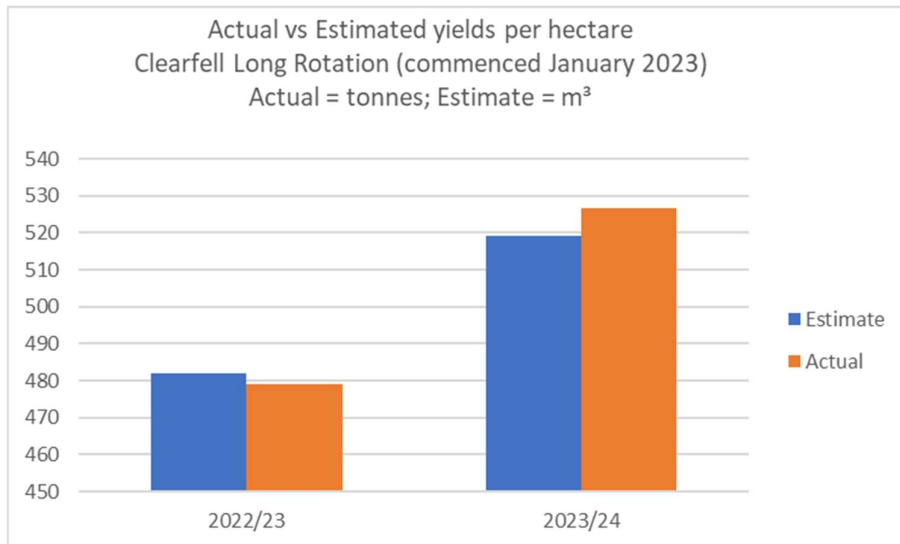
2021/22: early harvest of unthinned stands, a silviculture need, this was a budget figure, not a sustainable cut calculation

2022/23: half the year was early harvest of unthinned stands, harvesting mature crop on sustainable cut (45,000m³ for a half year) commenced 2nd half of the year

Years 2023 to 2027/28 includes production thinning, some late thin clearfell and some "old crop" harvests; old crop harvest ends and there is a gap in the production thinning element after that

Allowable cut increases to 121,000m³ from 2032/33 due to the impact of Block B areas coming into the equation.

Each year allowable cut is reviewed and adjusted if necessary - this happens as a part of the annual valuation update and value optimisation calculations.



EMPLOYMENT

General

PINC employs 22 workers in its forestry operation. Included in this number are a Harvesting Manager, a Silviculture Manager and 4 Foreman.

Wages are reviewed annually. Factors influencing whether wages increase are inflation, financial performance of the forestry operation and individual employee performance. As a minimum, in terms of rates of pay, PINC complies with the 'Living Wage' that is adjusted every 12 months.

Forestry employment opportunities are advertised on the PINC web site, the PINC Face Book page and other local Face Book pages. All PINC employees have a connection to PINC's whenua in one form or another.

All new employees must pass a pre-employment drug and alcohol test. A comprehensive induction process supports the integration of new employees into the business.

Training

Critical elements of PINC's approach to training consist of:

- No employee works on their own until they have been assessed as fully competent for the work they have been employed to undertake;
- Every employee has a training plan;
- Every employee must undertake some form of training every year;
- PINC has its own training assessors; and
- From time to time and where appropriate PINC engages North Tec to assist with training and assessing.

Employee Health and Safety

During the year:

- Number of incidents / accidents
- Number of incidents / accidents resulting in CAR's

- Average time taken to take remedial action required as a result of CAR
- There were 2 lost time injuries
- Number of risk assessments carried out during the year
- Monthly health and safety meetings – 100% compliance
- PPE audits completed – 100% compliance

ENVIRONMENTAL

Environmental Impact Assessments (EIA)

PINC operational processes require that an EIA is completed prior to work commencing in a new compartment. During this year PINC completed 7 EIA's across all operations.

Prior to work commencing in a new compartment the person who completed the EIA and the relevant operational foreman 'walk' the compartment to view and discuss appropriate issues. The team about to commence operations in the new compartment are then briefed on critical issues identified in the EIA before operations commence in the new compartment. Once operations commence, the foreman in charge briefs his team at daily pre-start toolbox meetings on critical issues of concern likely to be encountered during that day as identified in the EIA.

HCV's including natural areas

There are 11 HCV sites within PINC's forest. In addition, there are 12 natural areas. PINC has a plan in place to monitor each of these 23 areas (HCVs plus natural areas) once every 12 months. This program commenced in August 2023. As of 30 June 2024, monitoring/assessments of 4 HCV's/natural areas had been completed.

In addition, the assessment of HCV's and natural areas is included as part of the EIA process that occurs prior to work commencing in a new compartment.

Rare and threatened environmental species (RTES) and their habitat

FSC requires us to protect and enhance RTES and their habitat. By 'habitat' we mean the natural areas (as above) that RTES are found in.

In early 2023 PINC engaged Wildlands Consultancy to assist PINC to meet FSC requirements. This work identified birds, bats, lizards and freshwater fish that exist in our forest. PINC is working with a local botanist to build upon the Wildlands work. PINC's position is that the best option to protect RTES is to protect, maintain and where possible enhance HCV's and natural areas that RTES live in. As part of the annual monitoring of HCVs and natural areas PINC 'checks' on RTES.



An orchid from our forest – an RTE

Water

Protection of the lakes and streams in our forest continues to be an important part of operational planning. In the past, in some cases, new trees have been planted right to the edge of lakes and streams. With the renewed focus on the environment, we are regulated to a buffer zone of between 5 meters and 10 meters depending on the width of the waterway. In some cases, (compartments 402 and 418) we have gone with wider buffer zones in some places.

The Northland Regional Council (NRC) continues to undertake some sampling of water quality in our lakes and streams. In the year ending 30 June 2024, the NRC undertook samples of water from 6 lakes and streams.

Cultural sites

The Heritage New Zealand Pouhere Taonga Act 2014 requires that an organisation intending to harvest timber in a new area must obtain an authority from Heritage NZ before commencing operations in that area. To obtain this authority, the area to be worked in must be inspected by an 'authorised' archaeologist. PINC has engaged Dr. Justin Maxwell (Sunrise Archaeology), who is based in Mangonui, to provide support to ensure that PINC complies with all requirements contained in The Heritage New Zealand Pouhere Taonga Act 2014.

PINC has obtained the required authority in respect of all areas in the forest being worked in as of 30 June 2024. This authority lasts for 5 years. After 30 June Dr. Maxwell has been working with PINC to obtain the required authority for all areas in the forest likely to be worked in over the next 5 years.

As of 30 June 2024, Dr. Maxwell has completed and recorded the following:

- 35 recorded sites inspected
- 4 recorded sites relocated
- 31 recorded sites not relocated or determined to be destroyed
- 3 newly recorded sites

While carrying out this work, Dr. Maxwell identified and has recorded a pā in a sandhill which Dr. Maxwell advises is a very rare type of pā.

PINC also meets on an as required basis with representatives from Te Runanga Nui o Te Aupōuri and the local community (Cultural Advisory Group) to consult on cultural issues where forestry operations might have the potential to impact on issues of cultural significance. During the period covering this report PINC met with the Cultural Advisory Group on 3 occasions including field trips to visit cultural sites in the forest.

From time-to-time operational activities might uncover a cultural site that is not on record. PINC has an “Accidental Discovery Protocol” SOP that sets out how to manage such a situation. In the year covering this report one archaeological site not previously recorded was discovered and managed in accordance with the Accidental Discovery Protocol SOP.

COMMUNITY RELATIONS

PINC has continued to be active in the local community for the year ending 30 June 2024. Examples of this include:

- Cultural Advisory Group meetings to get input from locals and Iwi in respect of important archaeological / cultural issues relevant to the whenua on which our forest has been planted;
- Participation in and resource support provided to the local civil defence response team;
- Key to locked gates that provide access through our forest for residents living in the haukāinga to access beaches on the west and east coasts to collect kai moana;
- Access into our forest for recreational pig hunting;
- Significant economic benefit by way of wages paid to locals amounting to \$1,538,000.
- Other benefits provided to the local community, individuals and teams included \$27,884 for an audio-visual package for Te Kao marae, mutton contributions and monetary koha towards fund raising efforts/sporting event sponsorship and church events.

Business as Usual Monitoring Activities

In addition to what is provided in this report, the following activities are monitored to ensure that they take place as required and comply with PINC processes and policies:

- Daily toolbox meetings
- Monthly health and safety meetings
- Monthly health and safety audits
- Incident reporting
- Safe Behaviour observations
- HVC and natural area monitoring reports

- Cultural / archaeological assessments
- Monthly Environmental Audits
- New hazards identified and documented
- New worker induction
- New worker training plans and records
- Harvest planning
- Pre assessment felling planning
- Monthly Log Audit data (for Crew 1&2)
- Quality control audits on thinning to waste work and mechanical thinning
- Monthly mark ups
- CARs Register
- Chain of Custody induction for new drivers
- Contractor Inductions
- Fire Protection
- Pest and Predator Control including wilding pines documentation
- Planting/spraying programs

CONCLUSION

As previously stated, the FSC Forest Stewardship Standard for New Zealand (FSC-STD-NZL-02-2023 V2-0) FSC-STD-50-001 V2-1 requires PINC to annually publish a report detailing monitoring activities undertaken each year and to make that report publicly available. PINC meets this requirement by making the report available at www.parengarenga.co.nz . Further information is available at info@parengarenga.co.nz