

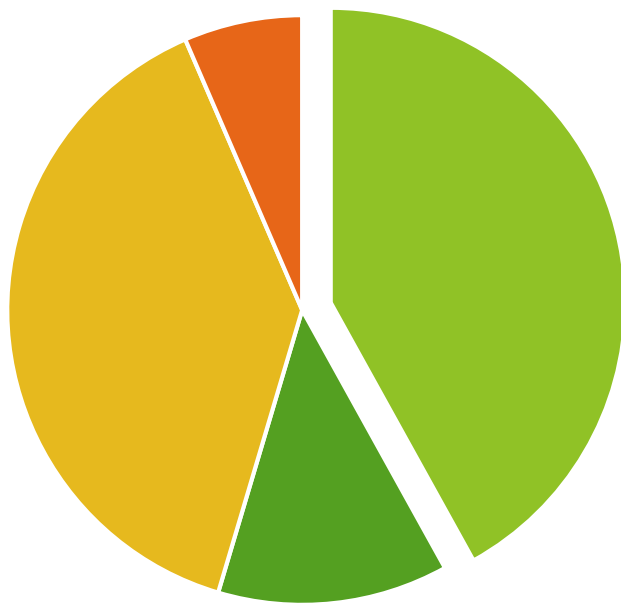
Where a billion trees will go: Māori Land

ForestWood Conference, 21 March 2018

Kim von Lanthen, ForestX

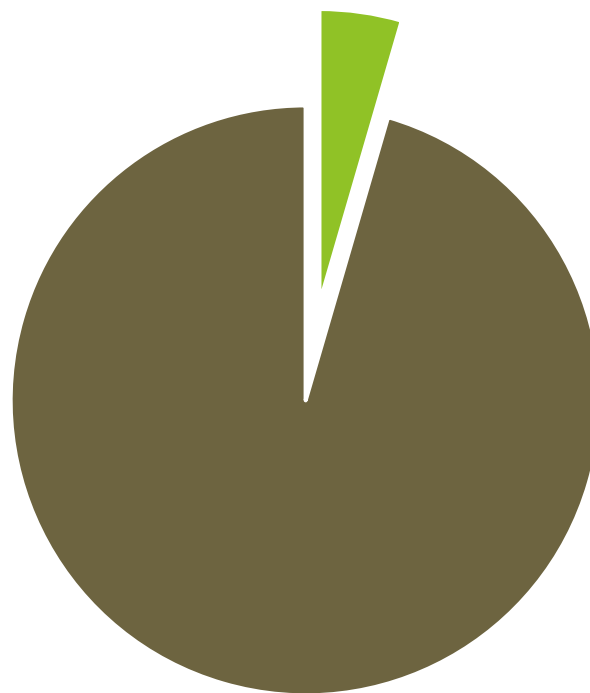
Current land commitment (top18)

Ownership of forest land, 1,038,781 ha



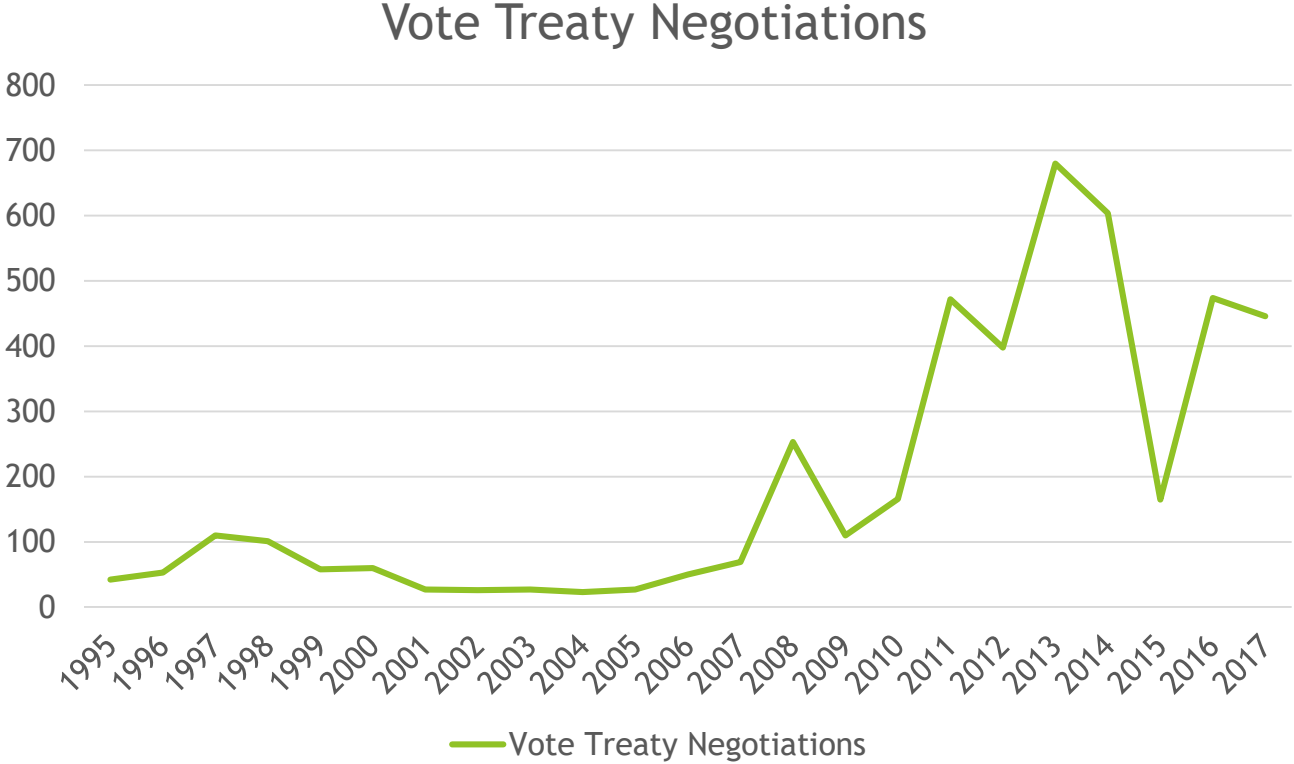
■ Iwi ■ Government
■ Freehold ■ Leasehold

Ownership of trees



■ Iwi ■ Other

\$6,048 per person



Additional land opportunity

- ▶ 2013 land use study by PwC for MPI in relation to Māori freehold land
- ▶ 960,000 hectares could be brought up to average industry benchmarks for productivity
- ▶ The benefits of doing so include:
 - ▶ an additional \$8 billion in gross output,
 - ▶ \$3.7 billion contribution to gross domestic product,
 - ▶ 3,600 jobs over a 10-year period
 - ▶ all requiring investment of just under \$3 billion.
- ▶ One of the areas of greatest land use opportunity for Māori freehold land is forestry

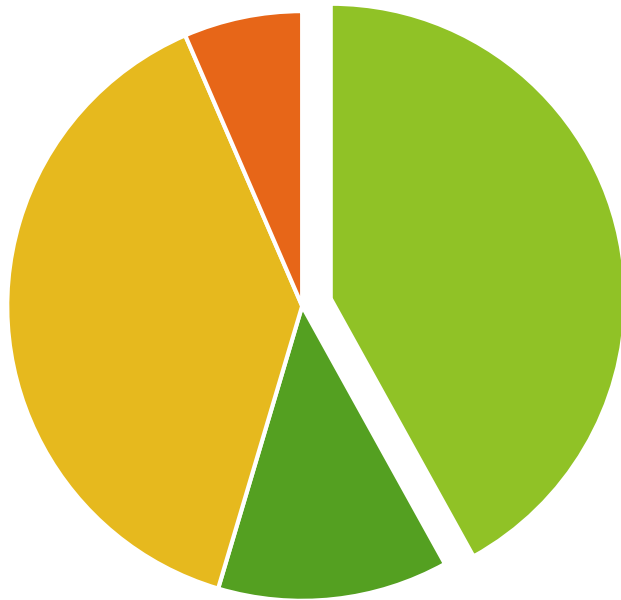
Additional land opportunity

TABLE 9 - BREAKDOWN OF MĀORI LAND

Region	Ha of Māori Freehold	% of Total	Total Hectares in Region	MFL as a % of total
Auckland	7,200	0.6%	502,500	1.4%
Bay of Plenty	218,700	17.4%	1,228,100	17.8%
Canterbury	4,100	0.3%	4,521,900	0.1%
Gisborne	191,300	15.2%	839,200	22.8%
Hawke's Bay	170,300	13.6%	1,420,200	12.0%
Manawatu-Wanganui	180,500	14.4%	2,222,500	8.1%
Marlborough	6,900	0.5%	1,048,900	0.7%
Nelson	0	0.0%	42,200	0.0%
Northland	116,100	9.2%	1,253,100	9.3%
Otago	4,500	0.4%	3,191,300	0.1%
Southland	31,900	2.5%	3,193,500	1.0%
Taranaki	30,600	2.4%	725,700	4.2%
Tasman	0	0.0%	964,800	0.0%
Waikato	277,100	22.1%	2,449,800	11.3%
Wellington	12,300	1.0%	812,700	1.5%
West Coast	4,600	0.4%	2,335,900	0.2%
Grand Total	1,256,100		26,752,300	4.7%

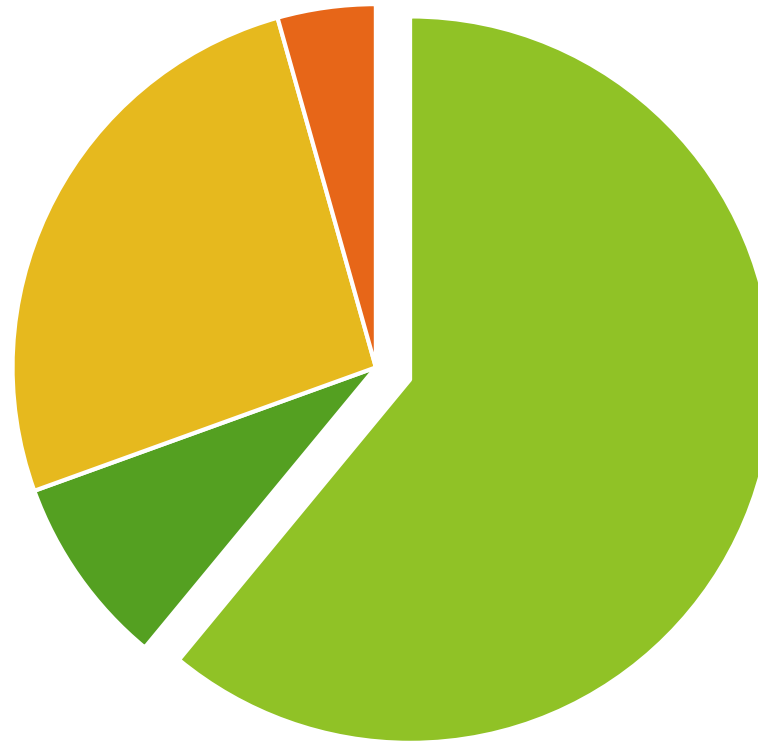
Prospective land commitment

Current ownership of forest land



Iwi Government
Freehold Leasehold

Ownership of forest land if an extra 500,000 ha available



Iwi Government Freehold Leasehold

Who will decide?

Iwi leadership

- ▶ Ensure replant of pre-1990 land to manage liability
- ▶ Past leases seen as being below the opportunity cost of land
- ▶ Economic rents could raise valuations and expand balance sheets
- ▶ Ultimate tree ownership would improve operating flexibility

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- ▶ Strong aversion to pine and introduced species
- ▶ Significant interest in shorter rotation, higher employment creating crops

\$/ha - September 2017		Arable	Dairy	Finishing	Grazing	Hort	Special
New Zealand	1,300	2,200	1,796	1,464	571	8,980	766
Northland	638	-	857	1,360	538	11,843	-
Auckland	2,653	1,159	1,854	3,473	1,571	-	-
Waikato	1,705	38,038	2,338	1,718	898	12,075	1,598
Bay of Plenty	9,628	-	541	1,332	-	19,542	-
Gisborne	699	1,317	-	348	99	4,286	-
Hawkes Bay	5,558	134,900	-	1,640	365	6,520	766
Taranaki	1,480	-	1,608	2,835	482	-	205
Manawatu /Whanganui	736	2,149	2,251	1,236	368	-	906
Wellington	303	-	-	1,439	-	-	-
Nelson	1,149	24,074	895	1,149	465	9,323	-
West Coast	614	-	-	614	-	-	-
Canterbury	1,713	2,486	2,532	1,615	526	1,889	-
Otago	960	1,114	2,428	1,043	424	5,190	-
Southland	1,069	828	1,079	1,268	695	-	-

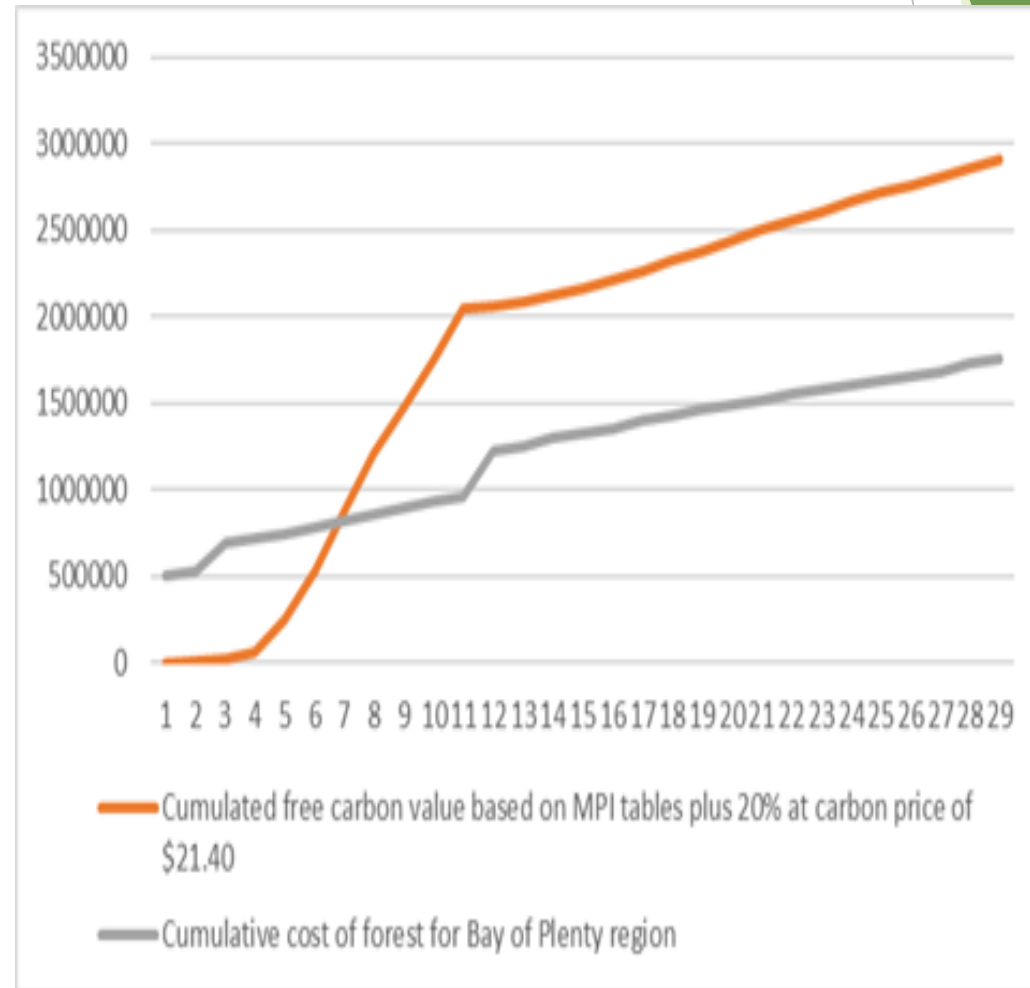
How can we help?

Iwi leadership

- ▶ Improve local economics
- ▶ Facilitate tree ownership

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- ▶ Prepayment to fund projects
- ▶ Mixed planting



What is the overall prize?

New Zealand

- ▶ 1995 \$844m or 0.7% of GDP
- ▶ 2017 \$1,441m or 0.6% of GDP
- ▶ Bringing 0.5m ha of new land into forestry could potentially lift proportion of GDP to 0.8%
- ▶ Further processing could lift the contribution of forestry to GDP even further

Iwi leadership

- ▶ If this was to be achieved in the Maori economy there would be a potential increase of \$1,269 per Maori person aged between 18 and 65

Hapu

- ▶ The potential additional 3,960 jobs