



**Asia-Pacific  
Economic Cooperation**

**Advancing Free Trade  
for Asia-Pacific Prosperity**

## APEC Experts Group on Illegal Logging and Associated Trade (EGILAT)

### Timber legality guidance template for New Zealand

Version: August 2018

The purpose of this guidance template document is to provide APEC member economies with guidance on compiling the appropriate information for businesses and governments within the APEC region regarding timber legality laws and regulations in place in New Zealand. It follows from multiple discussions at EGILAT meetings in which it was recognised that it would be beneficial to compile the laws or regulations of APEC economies governing timber production and trade with a goal of supporting legal timber trade between APEC members.

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# Introduction

## Purpose

This guideline has been prepared by the Ministry for Primary Industries of New Zealand to support the production and trade of legally-sourced wood products. It is intended to assist importers to carry out due diligence on the legality of New Zealand-grown wood products, through understanding the operating environment and regulatory framework governing the production and trade of New Zealand's wood products.

The information in this section, *Introduction*, is provided to complement the information requested in the APEC Timber Legality Guidance Template.

## Scope

This document refers to New Zealand wood products only. Importers should contact their New Zealand exporter for information about wood products produced in another economy.

## Forests and forestry in New Zealand

Just over 30 percent of New Zealand's total land area is covered in forests. There are two main types:

- exotic planted forests, which are the source of **more than 99.9%** of New Zealand's annual harvest volume;
- natural indigenous forests, which are the source of **less than 0.1%** of the annual harvest volume.

### Exotic planted forests

New Zealand has over 1.7 million hectares of exotic planted forests. Following the sale of state-owned commercial forests through the 1990s, the exotic planted forest estate is now largely privately owned with approximately 96 percent in private ownership. Most of these forests were established specifically for the purpose of harvesting, with the principal management objective being the commercial production of timber.

Radiata pine makes up 90 percent of the exotic planted forest area, and Douglas fir (6%), eucalypts (1%) and other exotic species the remainder<sup>1</sup>. There are over 12 000 owners of forests smaller than 40 hectares (approximately 16 percent of national estate)<sup>2</sup>.

Forests are fast growing and well-tended. The average time to harvest for radiata pine is 28 years.

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<sup>1</sup> Other exotic species include cypresses (*Cupressus macrocarpa*, *C. lusitanica*), other softwoods (pines, firs, larches, redwood, cedar), other eucalypt species, and other hardwoods (acacia, walnut, oak, poplar, willow, paulownia, birch, alder, elm).

<sup>2</sup> Based on information held by the New Zealand Forest Owners Association.

The volume harvested from commercial planted forests reached 33.6 million cubic metres in the year ended March 2018<sup>3</sup>. The level of harvesting broadly reflects historical rates of new planting, among other factors. The long-term sustainable yield is approximately 32 million cubic metres per annum. The significant majority of the area that is harvested is replanted.

About 46 percent of the annual harvest is processed onshore. New Zealand has a significant wood processing sector producing sawn timber, chemical and mechanical pulps, paper and paperboard, plywood, veneer, medium density fibreboard and wood chips.

New Zealand has an efficient and thriving forestry export industry: it is the third largest primary sector in terms of export revenue. The main forestry exports by value for the year to March 2018 were logs (52%), sawn timber (14%), pulp (13%) and paper and paperboard (8%), and panels (8%). The top export destinations by value for logs were China, Republic of Korea, India, and Japan; and for timber, United States, China, Australia, the European Union, Viet Nam, and Thailand<sup>4</sup>.

### **Indigenous forests**

Natural indigenous forests cover 6.5 million hectares, or 24 percent of New Zealand's total land area. Of the total, 1.2 million hectares are on private land, and 5.3 million hectares are on government conservation land.

The forests are predominantly temperate mixed evergreen hardwood forests with podocarps (conifers) and southern beeches (*Nothofagus* species). There are sub-tropical mixed evergreen hardwood forests with podocarps and kauri (conifer) in the north of the North Island.

Approximately 74 000 hectares of the privately owned indigenous natural forest is available for harvesting under strict conditions of sustainable yield. For some years the actual area harvested has been significantly below the allowable cut. Commonly harvested species include southern beeches, rimu, miro and matai (podocarps) and tawa (evergreen hardwood).

Less than 1 percent of New Zealand's annual timber harvest is from these forests, and even smaller quantities of indigenous timber are exported.

There is a small-scale industry salvaging and exporting swamp kauri (*Agathis australis*) logs and stumps which have been buried in swamps on farmland.

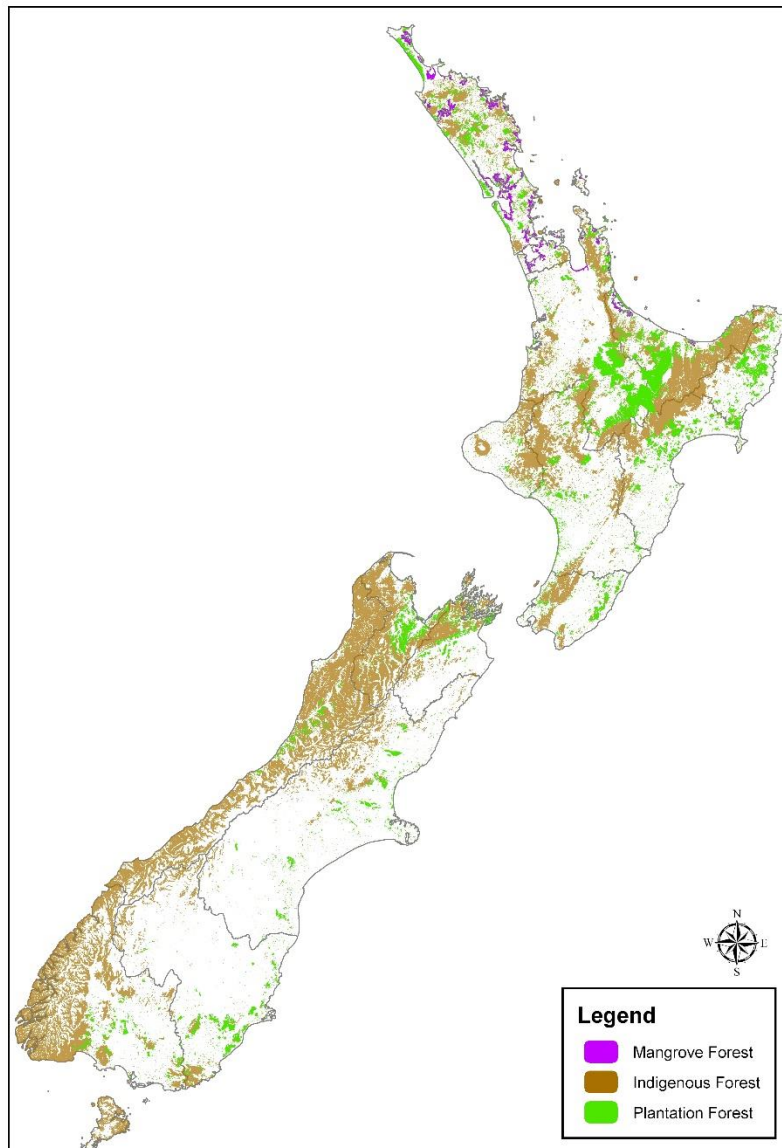
The area of planted indigenous forests is very small. There is not expected to be any significant volumes exported from these forests in the foreseeable future.

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<sup>3</sup> *Situation and Outlook for Primary Industries*, Ministry for Primary Industries, June 2018.

<sup>4</sup> *Situation and Outlook for Primary Industries*, Ministry for Primary Industries, June 2018.

**Figure 1: Map of New Zealand showing the distribution of different types of forest**



Source: Land Cover database (<https://www.data.govt.nz/case-studies/land-cover-database/>)

### **New Zealand's legislative framework**

New Zealand has established property rights legislation which provides for appropriate land tenure arrangements, recognises the customary and traditional rights of the indigenous people, provides the means for resolving property disputes by due process and has a record for upholding these rights. Also, the State grants title to land through registration and guarantees the accuracy of that title.

New Zealand has a well-established legal framework for the identification and protection of property rights, particularly through the Property Law Act 1952<sup>5</sup> and Crimes Act 1961<sup>6</sup>.

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<sup>5</sup> See: <http://www.legislation.govt.nz/act/public/2007/0091/latest/DLM968962.html>

<sup>6</sup> See: <http://legislation.govt.nz/act/public/1961/0043/latest/DLM327382.html>

The Resource Management Act 1991 (RMA) is the primary legislation promoting the sustainable management of natural and physical resources, including the land, air and water. The RMA is not specific to the forestry sector. It is administered by the Ministry for the Environment (MfE) but is largely implemented by local government (regional, unitary and local councils) through regional and district plans, regional policy statements as well as the standards and policy statements of New Zealand government.

The forestry sector is included in New Zealand's Emissions Trading Scheme. Participation by owners of *forest land* is mandatory when deforesting pre-1990 *forest land*, or voluntary for owners of post-1989 *forest land*. Voluntary participation to earn carbon credits for carbon sequestered, also imposes obligations to surrender carbon credits if the carbon stocks decrease.

Laws in New Zealand are actively enforced. Legislation and regulations that control forestry, resource management and biosecurity are enforced by specialist staff from central and local government, as well as by honorary rangers in the case of the conservation forest estate.

### **Māori and forestry**

The foundation legal document that recognises the rights of Māori, the indigenous people of New Zealand, is the Treaty of Waitangi which was signed in 1840. The principles of the Treaty are provided for in many pieces of domestic legislation. The Waitangi Tribunal established in 1975 is a permanent commission of inquiry charged with making recommendations on claims by Māori relating to actions or omissions of the Government that breach promises made in the Treaty. Land subject to a claim has its title annotated accordingly so that the claim is not affected should the land be sold.

Significant areas of forests have been returned to Māori through the Treaty of Waitangi settlement process. Government forestry leases of Māori land are also being shortened, and the land is being returned to Māori control.

Māori are major forest and land owners in New Zealand: approximately 30% of the land under exotic planted forests is owned by Māori, and Māori freehold land comprises around 6% of the total land in New Zealand. Māori are also involved in other forestry projects by way of leases, forestry rights and joint ventures of Māori land administered by Māori trusts and incorporations.

### **Negligible risk of illegal wood products**

There is negligible risk of New Zealand wood products being illegally harvested. Many factors contribute to this, including:

- exotic planted forests were planted for the purpose of being harvested;
- exotic planted forests are primarily privately owned and operated, and companies have strong incentives and mechanisms to protect their property and assets;
- New Zealand is a net exporter of forestry products;
- strong rule of law and active enforcement;
- strong and clear land tenure system;
- no historical culture of informal payments or bribery;

- government officials are relatively well paid, and do not rely on secondary sources of income;
- freedom of the press, which allows cases of corruption to be readily identified;
- there are ongoing legal processes to address historical grievances and claims from Māori, and many claims have been settled;
- high levels of compliance by industry, including with voluntary industry codes of practice;
- good industry-government relations;
- strong and active civil society including non-government organisations (NGOs), local communities and interest groups;
- the exotic species used in New Zealand are low value compared to most tropical hardwoods, and are unlikely to be the target of illegal trade;
- New Zealand is consistently ranked by Transparency International as one of the least corrupt economies in the world.



## Overview of timber legality in New Zealand

This section may include information that answers the following questions:

- Who owns forests in New Zealand (public, private, indigenous peoples)?
- Are there forests in New Zealand with different statuses (protected, production)?
- Are there multiple jurisdictions for managing forests in New Zealand?
- Which bodies or institutions are responsible for managing and regulating forests in New Zealand?

### Exotic planted forests

#### Ownership and management

New Zealand's exotic planted production forests are primarily privately owned and managed.

<i>Ownership</i>	<i>Area (million ha)</i>	<i>Percent</i>
Privately owned and registered public companies	1.639	96%
Local government and state-owned enterprises	0.052	3%
Central government (Crown Forestry)	0.014	1%
	<b>1.705</b>	<b>100%</b>

Source: National Exotic Forest Description as at 1 April 2016, Ministry for Primary Industries, 2016.

Since 1987, government-owned exotic planted forests have been either:

- sold to private companies – substantial areas are now owned by overseas companies and investment funds; or
- progressively returned to Māori under the Treaty of Waitangi settlement process, meaning Māori are becoming important players in the forestry sector.

Crown Forestry holds residual government assets for the purpose of disposal.

A spectrum of tree crop and land ownership arrangements exist, including forestry rights and licences, land leasing, forestry partnerships and stumpage share arrangements.

Exotic plantation forests are largely managed on a sustainable yield basis for operational and commercial reasons. Harvesting and replanting are business decisions for the forest owners and managers of these forests.

#### Protection and production forests

Nearly all of the 1.7 million hectares of exotic forests are production forests. There may be very small areas protected in private reserves.

## **Institutions and regulation**

The Ministry for Primary Industries (MPI) is responsible for:

- policy advice to government on exotic planted forests and the forestry sector,
- administration of a commodity levy on all harvested wood products,
- administration of environmental regulations for plantation forestry activities under Resource Management Act 1991, and
- administration of forestry in the New Zealand's Emissions Trading Scheme.

In May 2018 a new branded business unit, Te Uru Rākau, was established within MPI. A key objective of Te Uru Rākau is Government's One Billion Trees programme, which aims to plant one billion trees over the next 10 years. In addition to economic and regional development benefits, the One Billion Trees programme aims to help New Zealand's transition to a low-carbon economy.

Contact details are:

Ministry for Primary Industries  
PO Box 2526  
Wellington 6140  
New Zealand  
Phone: +64 4 894 0100  
Website: <http://www.mpi.govt.nz/contact-us/>  
Email: [info@mpi.govt.nz](mailto:info@mpi.govt.nz)

The Ministry for Environment is responsible for administering the Resource Management Act 1991, which addresses the environmental impacts of forestry activities.

## Indigenous natural forests

### Ownership and management

The majority of New Zealand's indigenous forests are held by the government and managed by the Department of Conservation under specific legislation. Harvesting is generally not permitted in these forests.

The ownership of New Zealand's indigenous forests is:

<i>Ownership</i>	<i>Area (million ha)</i>	<i>Percent</i>
Central government (Department of Conservation)	5.3	82%
Private, local government, other departments, and other areas	1.2	18%
	<b>6.5</b>	<b>100%</b>

Source: Sustainable Management of New Zealand's Forests, Ministry for Primary Industries (2015).

### Production forests

Only a small percentage of indigenous forests is under production. The area approved by government for sustainable harvesting is all on private land. This totals 74 000 hectares, or approximately 1 percent of the total indigenous forest area.

### Institutions and regulation

Central government forests are managed by the Department of Conservation<sup>7</sup> under specific legislation (Conservation Act 1987, National Parks Act 1980, and Reserves Act 1977). Management activities are focused on protecting and restoring species and habitats, and public recreation and education.

Contact details are:

Department of Conservation

PO Box 10420

Wellington 6143

Website: <https://www.doc.govt.nz/footer-links/contact-us/>

Email: [enquiries@doc.govt.nz](mailto:enquiries@doc.govt.nz)

The Ministry for Primary Industries administers the Forests Act 1949, which regulates the sustainable harvesting of privately owned indigenous natural forests, and the milling and export of forest products from those forests.

The Ministry for Environment is responsible for administering the Resource Management Act 1991, which addresses the environmental impacts of forestry activities.

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<sup>7</sup> Information on the Department of Conservation is available at: <http://www.doc.govt.nz/>

## List of laws regulating the harvesting, processing and exporting of wood products in New Zealand

NOTE: This section should provide a simple list of laws or regulations that regulate timber harvesting and exportation in New Zealand. These laws may include laws that:

- Authorise or regulate the harvesting or exportation of timber;
- Prohibit or regulate timber harvesting in specified locations, such as in parks, reserves, or protected areas;
- Prohibit or regulate harvesting or exportation of specific tree species;
- Require any type of payment, such as royalties, stumpage, or other fees, for the right to harvest timber;
- Grant legal rights of use and tenure in relation to the place in which timber is harvested to people or groups of people, such as indigenous peoples;
- Prohibit or regulate the transportation, export, import, or transshipment of timber or wood products;
- Regulate the possession, purchase, sale, or processing of timber or wood products; and
- Otherwise must be complied with for timber or wood products to be considered legally harvested or exported.

Please list and provide links to these laws and regulations.

This section provides a simple list and short description of relevant laws and regulations that control harvesting, processing and exporting of wood products in New Zealand.

### **Resource Management Act 1991, and Resource Management (National Environmental Standards for Plantation Forestry) Regulations 2017**

The Resource Management Act 1991 is the primary law for the sustainable management of all natural resources including land, water and soil.

See the Act: <http://www.legislation.govt.nz/act/public/1991/0069/latest/DLM230265.html>

Further information: <http://www.mfe.govt.nz/publications/rma/rma-guide-aug06/html/page2.html>

The National Environmental Standards for Plantation Forestry is a national regulation to manage the environmental effects of forestry.

See the Regulations:

<http://www.legislation.govt.nz/regulation/public/2017/0174/14.0/DLM7373517.html>

Further information: <http://www.mfe.govt.nz/land/national-environmental-standards-plantation-forestry/about-standards>

### **Te Ture Whenua Māori Act 1993 (Māori Land Act)**

Te Ture Whenua Māori Act 1993 recognises Māori land as tāonga tuku iho (treasures passed down from ancestors) of special significance to Māori.

See: [www.legislation.govt.nz/act/public/2007/0004/latest/DLM404796.html](http://www.legislation.govt.nz/act/public/2007/0004/latest/DLM404796.html)

### **Forestry Rights Registration Act 1983**

The Forestry Rights Registration Act 1983 provides for the creation of forestry rights by the proprietor of land to establish, maintain and harvest a crop of trees on the land. Forestry rights are commonly used in joint-venture situations where a forestry investor establishes a forest on land owned by another party.

See: <http://www.legislation.govt.nz/act/public/1983/0042/latest/DLM72449.html?src=qs>

### **Overseas Investment Act 2005 and Overseas Investment Regulations 2005**

Consent is required for overseas investments in sensitive New Zealand assets. This includes the sale of more than 5 hectares and business assets worth more than NZD100 million to overseas interests. At the time of writing, the Overseas Investment Amendment Bill<sup>8</sup> was before Parliament. On enactment overseas persons acquiring more than 1,000 hectares of forestry rights per calendar year will also require consent.

See: <http://www.legislation.govt.nz/act/public/2005/0082/latest/DLM356881.html>

### **Property Law Act 2007**

The Property Law Act 2007 sets out a general basis for property rights in New Zealand.

See: [www.legislation.govt.nz/act/public/2007/0091/latest/DLM968962.html](http://www.legislation.govt.nz/act/public/2007/0091/latest/DLM968962.html)

### **Commodity Levies Act 1990 and Commodity Levies (Harvested Wood Material) Order 2013**

Imposes a levy on all harvested wood material from planted forests in New Zealand. The levy is charged at or inside the gate (point of entry) to sawmills and ports. The product owner or agent can recover the levy from the forest owner.

See the Act: <http://www.legislation.govt.nz/act/public/1990/0127/latest/DLM226674.html>

See the Order:

<http://www.legislation.govt.nz/regulation/public/2013/0454/latest/DLM5719125.html>

More information: <http://fglt.org.nz/>

### **Forests Act 1949**

Requires any harvesting for sale and trade from indigenous natural forests on private land to be conducted under sustainable forest management permits or plans, or other approvals. Regulates aspects of the milling and export of the indigenous timber.

See: <http://www.legislation.govt.nz/act/public/1949/0019/latest/DLM255626.html>

Further information: <http://www.mpi.govt.nz/growing-and-producing/forestry/indigenous-forestry/>

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<sup>8</sup> <http://www.legislation.govt.nz/bill/government/2017/0005/latest/DLM7512906.html>

### **Conservation Act 1987, National Parks Act 1980, and Reserves Act 1977**

The Department of Conservation (DOC) manages the government's indigenous conservation forests for "...the preservation and protection of natural and historic resources...". The Reserves Act 1977 makes it an offence to remove or wilfully damage any wood, tree, shrub, fern or plant on any designated reserve.

See respectively:

<http://www.legislation.govt.nz/act/public/1987/0065/latest/DLM103610.html>

<http://www.legislation.govt.nz/act/public/1977/0066/latest/DLM444305.html>

<http://www.legislation.govt.nz/act/public/1980/0066/latest/DLM36963.html>

### **West Coast Wind-blown Timber (Conservation Lands) Act 2014**

Authorises the removal of wind-blown timber irreversibly damaged by Cyclone Ita in 2014 from certain government conservation areas and reserves in the West Coast region. The Act expires on 1 July 2019.

See: <http://www.legislation.govt.nz/act/public/2014/0048/latest/DLM6166606.html>

### **Trade in Endangered Species Act 1989**

New Zealand is a signatory to the international Convention on Trade in Endangered Species (CITES) which regulates and monitors imports and exports of endangered species to ensure that their long-term survival in the wild is not threatened.

There are no New Zealand indigenous timber species which are CITES-listed. Other New Zealand plants including some tree ferns (*Cyathea* species) are listed under Appendix II.

See: <http://www.legislation.govt.nz/act/public/1989/0018/latest/DLM145966.html>

Further information: <http://www.doc.govt.nz/about-us/international-agreements/endorsed-species/>

## Laws regulating timber harvesting and export in New Zealand

This section describes how those laws and regulations applicable to exotic plantation forests operate, and the institutions responsible for managing and enforcing them. The requirements are described following the path that legal exotic timber takes from harvesting to export, and includes the agencies and authorities responsible and relevant documentation.

NOTE: This section should provide information describing how New Zealand's laws in the previous section operate, including the institutions in New Zealand that are responsible for managing and enforcing timber harvesting laws and regulations.

This section may include general information that answers the following questions:

- What are the requirements of legislation in New Zealand that authorises or regulates the harvesting or exportation of timber?
- What are the requirements of the laws or regulations that prohibit or restrict timber harvesting in specified locations, such as in parks, reserves, or protected areas;
- What are the requirements of the laws that prohibit or regulate harvesting or exportation of specific tree species;
- What are the requirements of the laws that require any type of payment, such as royalties, stumpage, or other fees, for the right to harvest timber;
- What are the requirements of the laws that grant legal rights of use and tenure in relation to the place in which timber is harvested to people or groups of people, such as indigenous peoples;
- What are the requirements of the laws that prohibit or regulate the transportation, export, import, or transshipment of timber or wood products;
- What are the requirements of the laws regulate the possession, purchase, sale, or processing of timber or wood products; and
- What are the requirements of any other laws that must be complied with for timber or wood products to be considered legally harvested or exported?

### Exotic planted forests

#### Environmental legislation

Under the *National Environmental Standards for Plantation Forestry*, forest owners can harvest forests and conduct associated activities, such as afforestation and earthworks, without a resource consent (permit) if they meet certain conditions to manage the environmental effects of the activity. This is called a permitted activity.

If the conditions for a permitted activity cannot be met, forest owners can apply to their local council for a resource consent (similar to a permit). Resource consents may put specific conditions on the activities. An example is provided in Attachment 1.

A harvest plan is required to be prepared for all harvesting. A forestry earthworks management plan must be prepared for all earthworks that involve more than 500 m<sup>2</sup> of soil

disturbance in any 3-month period, and for harvesting activity where the land has a high or very high risk of erosion.

Local government bodies track and monitor the compliance of forestry activities with the requirements of the Resource Management Act 1991, National Environmental Standard for Plantation Forestry, and any resource consents.

### **Other laws and regulations**

New Zealand does not have specific requirements for timber or wood products from exotic forest to be considered legally harvested or exported. For exotic planted forests and associated products:

- there are no forestry-specific laws or requirements on the sale, purchase, possession, harvest, transport, processing, export, import or transshipment of timber or wood products;
- stumpage or other fees for the right to harvest timber are commercial arrangements between the seller and buyer;
- there are no forestry-specific export duties or tariffs; and
- exporters are not required to be registered.

A commodity levy for industry good activities applies to all harvested wood material. The levy is charged to the forest owner.

New Zealand's Treaty of Waitangi, and laws relating to tenure and land use are noted in previous sections.

Other laws which are not specific to forestry apply, such as customs and excise law; commercial and tax law; labour, employment and safety laws. Biosecurity requirements apply to imported or trans-shipped wood products.



## Indigenous forests and wood products

### Environmental legislation

A resource consent under the Resource Management Act 1994 (as described above) may be required to fell or clear indigenous trees and plants, or to undertake other activities such as roading in indigenous forest.

The National Environmental Standards for Plantation Forestry do not apply to natural indigenous forests.

### Harvesting

Controls apply to the harvesting of indigenous forests, milling and export of wood products from those forests, under the Forests Act 1949.

#### 1. Sustainable Forest Management Plans and Permits

Harvesting timber from indigenous natural forests on private land for sale or trade requires a Sustainable Forest Management Plan or Permit issued by Ministry for Primary Industries (MPI).

Sustainable Forest Management Plans generally have at least a 50-year term and provide for the long-term management of a forest area. Plans include details of the land owner, legal title, the forest's resources, the annual allowable timber harvest, and any required forest management or protection actions<sup>9</sup>.

Sustainable Forest Management Permits have a 10-year term and include the same information, but specify a maximum harvest volume for each species group.

Approved permits and plans are registered against the land titles, and are binding on the current and future land owners until the term expires. These are published at <http://www.mpi.govt.nz/growing-and-harvesting/forestry/indigenous-forestry/harvesting-and-milling-indigenous-timber/>.

An annual logging plan is required to be submitted to MPI for each year that harvesting is proposed, and land owners must keep records of all timber harvested.

#### 2. Milling statements

MPI can issue milling statements for other specified cases not covered by Sustainable Forest Management plans or permits, such as naturally dead or wind-thrown trees, salvaged timber, timber from some Māori land, and the construction or maintenance of an access way. This timber can only be sold on the domestic market: a Sustainable Forest Management Permit or Plan is required to export timber from these areas.

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<sup>9</sup> For example, the protection of rare or endangered species or the control of introduced weeds and pests.

### 3. Personal use

MPI may approve the harvest and milling of up to 50 cubic metres of indigenous timber (roundwood) for personal use, but this material must not be sold or traded.

#### Verifying documents

There are just over 50 Sustainable Forest Management Plans and around 150 Sustainable Forest Management Permits registered with MPI. Information on each Sustainable Forest Management Permit and Plan can be viewed at:

<https://www.mpi.govt.nz/dmsdocument/712-registered-sustainable-forest-management-plans-and-permits>. Maps for these areas can be viewed at:

<https://www.mpi.govt.nz/dmsdocument/E713-maps-of-registered-sustainable-forest-management-plans-and-permits>.

#### Monitoring activities

Monitoring activities include site inspections by MPI before, during and after harvesting, and reconciliation of harvest plans by source, species and volume.

#### **Sawmilling controls**

All sawmills that mill indigenous timber must be registered with MPI. A registered sawmill may mill any indigenous timber for which harvesting or milling approval has been granted by MPI. Registered sawmills must submit three-monthly returns to MPI of the indigenous timber milled in the period.

It is a serious offence to mill indigenous timber at an unregistered sawmill or to mill without approval under the Forests Act 1949. Penalties include fines of up to NZD200 000 on conviction for breaching these requirements. Since 2010 seven successful prosecutions have been undertaken.

#### **Export controls**

##### Unfinished indigenous forest products

For the purposes of exporting, the categories of unfinished timber include<sup>10</sup>:

- any grade of sawn beech or rimu from a forest subject to a sustainable forest management (SFM) plan or permit with a cross-sectional area of no more than 30 000 square millimetres per piece;
- salvaged stumps or roots of any species, either whole or sawn, from non-indigenous forest land;
- timber sourced from a planted indigenous forest.

Exporters of all unfinished indigenous forest products are required to submit a notice of Intention to Export (ITE1) form (see Attachment 2). The form requires exporters to identify the source of the timber, which is checked by MPI. All export consignments must be made available to a Forestry Officer for inspection.

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<sup>10</sup>Indigenous logs or timber from a planted indigenous forest or from a forest covered by a Permanent Forests Sink Covenant can also be exported, but no volume is expected to be exported in the foreseeable future.

A single use non-transferable clearance (or permit) number is required to clear the goods through the Customs' system. The non-transferable permit number is provided by MPI on the completed approved Intention to export (ITE) form.

Exporters of swamp kauri from non-indigenous forest land *voluntarily* submit a notice of intention to export or ITE2 form (see Attachment 3).

Importers can request completed ITE forms from their exporters.

Finished or manufactured indigenous timber products

There are no restrictions on the export of *finished or manufactured indigenous timber products* including personal effects, and no ITE form is required.

## Licences, Permits and Certification Schemes

NOTE: This section should provide general information on any requirements for timber or wood products from New Zealand to have licences, permits, or certifications. APEC member economies will want access to information that can be used to reduce the risk that timber harvested in New Zealand has come from illegal sources.

There may be a variety of requirements for timber harvested in New Zealand to be considered legal. These may include:

- An authority or permit to harvest or felling licence
- An authority or permit to transport, process or trade
- An export permit, issued by the relevant government authority
- A certification or a domestic legality verification system
- A non-government certification (harvest or chain of custody) scheme recognised by New Zealand.

Please list the ways that someone purchasing timber from New Zealand could reduce the risk that the timber products have come from illegal sources, including the agencies responsible for issuing any documentation. Suitable examples of documentation should be included at Appendix A.

This section covers third party (non-government) sustainable forest management certification.

Third party forest management certification and chain of custody schemes are entirely voluntary in New Zealand. There are two main schemes operating currently. Most small forest owners choose not to certify their forests.

### Forest Stewardship Council (FSC)

Twenty-one forest owners, which includes all large forest owners, have FSC forest management and chain of custody certification.

At June 2017 the forest areas with FSC certification were:

- 1.260 million hectares of exotic planted forests, or approximately 70 percent of the estate;
- 11,900 hectares of indigenous forest.

Approximately 265 suppliers, manufacturers and retailers of wood products have FSC chain of custody certification.

Current FSC certificates are available at: <https://info.fsc.org/>.

### Controlled Wood risk assessment

FSC's 2014 assessment of New Zealand, rated New Zealand as low for all the risk categories for all types of forest in all regions (see <https://nz.fsc.org/en-nz/policies/controlled-wood-risk-assessment>).

## **Programme for the Endorsement of Forest Certification (PEFC)**

The New Zealand Standard for Sustainable Forest Management (NZS AS 4708:2014) was endorsed by PEFC in December 2015. At 31 December 2017, 434 185 hectares of forest had achieved PEFC certification, or approximately 20% of New Zealand's plantation forest estate. The forest area with PEFC also has FSC.

Twenty eight companies have PEFC chain of custody certification, some covering multiple sites. The availability of logs from PEFC certified forests is expected to increase the demand for PEFC chain of custody.

Information is available at <https://www.pefc.org/find-certified/certified-certificates/>.

## Legality of timber products manufactured in New Zealand

NOTE: This section recognises that timber products from New Zealand may use timber inputs from numerous jurisdictions in manufactured products. APEC member economies will want access to information that can be used to assess and reduce the risk that timber in the manufactured products from New Zealand has come from illegal sources.

In preparing this section, please indicate:

- whether there are any arrangements, formal or otherwise, to trace timber supply chains in New Zealand;
- whether New Zealand has any legality assurance systems for domestic timber used in manufactured or complex products<sup>11</sup>;
- whether New Zealand has any legality assurance systems for imported timber used in manufactured or complex products.

Please list the ways that someone purchasing products with multiple timber inputs from New Zealand could reduce the risk that the timber products have come from illegal sources, including the agencies responsible for issuing any documentation. Suitable examples of documentation should be included at Appendix A.

## Traceability in timber supply chains

### Traceability in the domestic market

All commercial deliveries of logs by truck or rail wagon are accompanied by load delivery dockets. The same system is used universally across New Zealand, and provides a high level of traceability in the supply chain.

Load delivery dockets are similar to a delivery note, and provide documentation that the stated product was delivered. Information on the dockets can include:

- forest or log owner, forest/block/stand or compartment name
- harvesting company and crew, loader,
- third party purchaser or manager (if applicable)
- customer, which can be a sawmill, other wood processing site, or a port,
- transport company, and truck or trailer number
- species, grade and length,
- log count, gross weight, tare weight, and net weight of the load.

The data from each docket is the basis for the commercial invoicing or payment of all the parties involved. As up to six or seven parties are paid or invoiced based on this information, there are inherent checks and balances because those being charged or paid have strong incentives to ensure the information is correct.

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<sup>11</sup> For the purposes of this document, a 'complex product' is taken to mean a product that includes wood that has been significantly transformed and potentially sourced from a range of timber species or harvest locations.

## **Traceability to export markets**

At the ports, a small number of marshalling companies process all the logs for export from New Zealand. They apply very similar procedures to track and reconcile log exports.

Logs are individually bar-coded on receipt into the port and the load delivery docket information is linked to the bar-code. The logs are assigned to a customer lot, before being loaded onto a ship. Therefore, a bar code on a log can be used to trace the log back to a supplier, and in the majority of cases, the forest owner and forest in New Zealand. Up to three reconciliations of individual logs may occur at the ports, including as logs are finally loaded on ships. This data is the basis for sales documents.

Also, MPI has traceability and handling requirements for products to maintain phytosanitary certification once they have been treated. This adds a further level of traceability in the system.

## **Legality assurance systems for domestic timber**

As there is deemed to be a negligible risk of illegal harvesting of New Zealand's exotic planted forests, there is not a specific system designed for the legality of harvested timber. However, a mandatory levy charged on *all harvested wood material from plantation forests*<sup>12</sup> can be used to demonstrate that supply is from New Zealand forests that have been planted for the purpose of future harvesting.

The Forest Growers Levy Trust Inc. (the Trust) is the body mandated in regulation to collect the levy. The Trust contracts a third party, Levy Systems Limited, to administer the levy on behalf of the Trust.

Forest owners and managers can provide a levy statement from Levy Systems Ltd that declares they are subject to the harvested wood levy. The harvested wood levy statement template is provided in [Attachment 4](#).

## **Indigenous wood products**

The rigorous controls on indigenous forests and associated products under the Forests Act 1949 can be considered a timber legality assurance system. Completed and authorised Intention to Export forms (ITE1 and ITE2) confirm that the requirements of the Forests Act 1949 relating to unfinished indigenous forest products have been met.

Finished products do not require ITE forms.

## **Imported wood products**

New Zealand is a small market for imported wood products, importing less than 0.5% by value of global forestry product imports in 2017. New Zealand's imports by value for 2017 compared to selected markets were:

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<sup>12</sup> Refer to the Commodity Levies Act 1990 and Commodity Levies (Harvested Wood Material) Order 2013.

**Table: New Zealand imports of forestry products (NZD million, 2017)**

NZ	Australia	Japan	Korea	China	EU	US	Canada	World Total
2 096	9 289	25 748	12 274	76 213	56 329	93 348	20 328	409 560
<b>0.5%</b>	2.3%	6.3%	3.0%	18.6%	13.8%	22.8%	5.0%	

Source: Global Trade Atlas

Imported forestry products are very unlikely to be included in forestry products exported from New Zealand due to the following factors:

- New Zealand's exports are primarily locally grown radiata pine logs and manufactured radiata pine products (e.g. in 2016 97.6% by value of New Zealand's global log exports were identified as radiata pine, and the remainder included other exotic species such as Douglas fir);
- New Zealand's relatively small volumes of imported sawn timber and logs are primarily for domestic consumption in a narrow range of uses, such as hardwoods for outdoor decking and boat building, and North American cedar for cladding.

New Zealand has a number of measures addressing the trade in illegal wood products, including a government procurement policy requiring most wood products to be verified as legal, and preferably from sustainably managed sources.

The New Zealand Imported Timber Trade Group (NZITTG), a voluntary group of major importers and retailers of tropical timber and wood products, seeks to source legal, and preferably sustainable wood products. Also, a popular local web-based trading platform, TradeMe, requires kwila (merbau) offered for sale to have certified under Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).

Such initiatives reduce the risk that illegally logged timber will enter New Zealand.

New Zealand supports action to combat illegal logging and trade and the trade of legal and sustainable wood products in international fora including the International Tropical Timber Organization, Asia Pacific Economic Cooperation's Expert Group on Illegal Logging and Associated Trade, United Nations' Food and Agriculture Organization, and United Nations' Forum on Forests.



## Other relevant non-government resources

NOTE: Please include in this section: any initiatives or government endorsed or supported entities or resources that assist in the identification of timber legality. Sources may include domestic organisations, civil society groups or multilateral forums.

*Inclusion in this section does not imply government endorsement or support.*

### Transparency International Corruption Perceptions Index

New Zealand consistently ranks as having the one of the lowest levels of corruption in the world. New Zealand's recent ratings on Transparency International's Global Corruption Perceptions Index are:

<i>Year</i>	<i>Rank</i>
2017	1 <sup>st</sup>
2016	1 <sup>st</sup> =
2015	4 <sup>th</sup>
2014	2 <sup>nd</sup>
2013	1 <sup>st</sup> =
2012	1 <sup>st</sup> =
2011	1 <sup>st</sup> =
2010	1 <sup>st</sup> =
2009	1 <sup>st</sup>
2008	1 <sup>st</sup> =
2007	1 <sup>st</sup> =
2006	1 <sup>st</sup> =
2005	1 <sup>st</sup> =
2004	2 <sup>nd</sup>
2003	3 <sup>rd</sup> =
2002	2 <sup>nd</sup> =
2001	3 <sup>rd</sup>
2000	3 <sup>rd</sup> =

See: <https://www.transparency.org/>

### Voluntary industry codes and agreements

The New Zealand forestry industry promotes sustainable forest management and legality in planted forests through its own initiatives, such as best practice guides. The New Zealand forestry sector has also negotiated a number of environmental forestry initiatives with environmental groups, which help to ensure sustainable and legal forestry production.

Larger-scale planted forest owners use these standards, codes of practice, principles of forest management and accords in managing their own estate and forest operations.

Most forestry companies also have in-house environmental management systems and codes of practice for environmental management and worker safety.

The *New Zealand Forest Accord*<sup>13</sup> was signed in 1991 by the New Zealand Forest Owners Association and the main conservation groups. This was reaffirmed in 2007, when partners extended the Accord to include climate change and the mitigating roles of indigenous and planted forests.

The objectives of the Accord form the basis for the *Principles for Commercial Plantation Forest Management in New Zealand*, signed by the same parties in 1995. These principles commit the members of the Forest Owners Association to meeting standards of environmental practice and social behaviour in excess of those required by law or international treaties.

## Independent research

The view that New Zealand has a low risk for illegal logging, and that traded forestry products originating from New Zealand pose a very low risk of being illegally harvested, is supported in independent research.

Independent forestry consultants by Poyry Forest Industry Pty Ltd, in *Legal forest products assurance – a risk assessment framework for assessing the legality of timber and wood products imported into Australia (2010)* found that New Zealand was a low-risk supplier for each of the product categories assessed.

The Australian Institute of Criminology report, *The illegal trade in timber and timber products in the Asia–Pacific (2008)*<sup>14</sup>, discusses the risk associated with different stages in the supply chain. It noted for processing that there are no reports about production or exports involving illegal timber or timber products from New Zealand (page 109); and for consumption that New Zealand is a major consumer of timber and timber products in the region, but that it is largely self-sufficient as domestic consumption is almost exclusively satisfied by domestic production and New Zealand is a net exporter of timber and timber products (p133).

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<sup>13</sup> See: <https://www.nzfoa.org.nz/resources/file-libraries-resources/agreements-accords/10-nz-forest-accord/file>

<sup>14</sup> See: [http://aic.gov.au/media\\_library/publications/rpp/89/rpp089.pdf](http://aic.gov.au/media_library/publications/rpp/89/rpp089.pdf)

## Contacts for further information

This section provides details of relevant contacts for further information on forestry and wood products from New Zealand:

### Ministry for Primary Industries

PO Box 2526

Wellington 6140

New Zealand

Phone: +64 4 894 0100

Email: [info@mpi.govt.nz](mailto:info@mpi.govt.nz)

Websites: [www.mpi.govt.nz/contact-us/](http://www.mpi.govt.nz/contact-us/),  
<http://www.mpi.govt.nz/growing-and-harvesting/forestry/>

Ministry for Primary Industries  
Manatū Ahu Matua



### New Zealand Forest Owners Association

New Zealand Forest Owners Association represents the owners of New Zealand's commercial plantation forests. The association and its members are committed to the highest standards of forest management.

Email: [nzfoa@nzfoa.org.nz](mailto:nzfoa@nzfoa.org.nz)

Website: <http://www.nzfoa.org.nz/>



### Wood Processors & Manufacturers Association

Wood Processors & Manufacturers Association of New Zealand represents companies responsible for the primary processing of between 75 to 80 percent of New Zealand's wood.

Website: <http://www.wpma.org.nz/>



### NZ Farm Forestry Association

NZ Farm Forestry Association promotes the wise integration of trees into farms and the landscape, for profit, amenity, sustainability and conservation purposes.

Website: <http://www.nzffa.org.nz>



## Attachments

NOTE: This section is for any additional information, including copies of relevant sample documents or link to sites containing further information. Sample documents could include copies of a felling license, permit to harvest, license to harvest, export permit or government endorsed legality certification. Including copies of sample documents will allow APEC member economies, the private sector, and civil society to be aware of what they should look like.

### List of attachments

No.	Name of Sample Document	Voluntary/Mandatory
1.	Resource Consent (example from Gisborne District Council)	Mandatory for forestry activities where permitted activity conditions or requirements cannot be met. Otherwise, not required.
2.	Intention to Export (ITE1) form	Mandatory for unfinished indigenous forest products.
3.	Intention to Export (ITE2) form - swamp kauri	Mandatory for swamp kauri stumps Voluntary for swamp kauri finished products
4.	Harvested Wood Levy Statement	Voluntary



**Attachment 2: Intention to Export (ITE1) form**

# Notice of Intention to Export Indigenous Timber (Form ITE1)

Ministry for Primary Industries  
Manatū Ahu Matua



**This form to be forwarded to AsureQuality New Zealand at least 10 days prior to the date of exporting**

Notice of Intention to Export – Form ITE1 (s 67C(3) Forests Act 1949; s 5(2) Forests Amendment Act 2004)

To: Director-General, Ministry for Primary Industries

I GIVE NOTICE of my intention to export the indigenous forest produce described in this notice, and, I declare that the particulars set out in this notice were, at the date of this declaration, true and correct in every respect and in accordance with the requirements of the Forests Act 1949.

I ACKNOWLEDGE an inspection of the export consignment by a Forestry Officer is required.

Signature of Exporter: \_\_\_\_\_ (Print Name): \_\_\_\_\_ Date: \_\_\_\_\_

Exporter/Consignor Name and Address		
Phone:	Fax:	Email:
Buyer/Consignee Name and Address		
Ship/Airline/Post (Name of vessel/Flight No.)	Sea/airport of loading	
Sea/airport of discharge	Final Destination	Date of exporting:

Description of Exports (include any marking)	Species	Net weight (kg)	Volume (m³)
Source: / /	Notes:		
Note: All applications MUST include a written statement of the source of the timber (for example, SFM Plan/Permit Annual Logging Plan Number or Milling Statement and owner(s) name.)			
Address where consignment can be inspected:			
Contact Name:	Contact Number:		
Phytosanitary certificates required?			
<i>MPI Use Only</i>		<i>AsureQuality Use Only</i>	
Source confirmed: Y / N		Inspected: Y / N	
		EXPORT: APPROVED / NOT APPROVED	
Signed: _____	Date: / /	Signed: _____	Date: / /
Forestry Officer Name: _____		Forestry Officer Name: _____	
Customs clearance #: (Provide this to your Customs Broker)	Application #:		

Notes: Exporters are advised to check with <http://www.mpi.govt.nz/law-and-policy/requirements/importing-countries-phytosanitary-requirements/forestry-icprs/> for any phytosanitary requirements.

Export information is provided on the back of this form.  
Email [phytocerts@asurequality.com](mailto:phytocerts@asurequality.com) or fax 07-575-8110 your completed form to AsureQuality–Mt Maunganui.  
For further information contact the Ministry for Primary Industries: 0800 00 83 33

Key feature: Customs clearance number

Attachment 3: Intention to Export (ITE2) form

# Notice of Intention to Export Swamp Kauri (Form ITE2)

Ministry for Primary Industries  
Manatū Ahu Matua



This form to be forwarded to AsureQuality New Zealand at least 10 days prior to the date of exporting.

**Notice of Intention to Export – Form ITE2**

(s 67C(3) Forest Act 1949; s 5(2) Forest Amendment Act 2004)

To: Director-General  
Ministry for Primary Industries

I GIVE NOTICE of my intention to export the swamp kauri produce described in this notice, and, I declare that the particulars set out in this notice were, at the date of this declaration, true and correct in every respect and in accordance with the requirements of the Forests Act 1949.

I ACKNOWLEDGE an inspection of the export consignment by a Forestry Officer is required.

Signature of Exporter:

(Print Name):

Date:

Exporter/Consignor:

Phone:  Fax:

Email:

Container/Bill of Lading No.

Ship/Airline  
(Name of vessel/Flight No.)

Date of exporting

Sea/airport of discharge

Final Destination

	Volume (m <sup>3</sup> )	Description of Exports (include any marking)
<input type="checkbox"/> Whole stump or root:	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Sawn stump or root timber:	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Finished or manufactured product:	<input type="text"/>	<input type="text"/>

**Note:** Include an itemised packing list for each consignment when submitting this form.

Source:

**Note:** All applications must include a written statement of the source of the timber. For example, a Milling Statement number or landowner name and location.

Address where consignment can be inspected:

Contact Name:

Contact Number:

Phytosanitary certificates required? Y  / N

**Send this form with attachments to:** AsureQuality-Mt Maunganui  
 Email [phytocerts@asurequality.com](mailto:phytocerts@asurequality.com)  
 or fax 07-575-8110

<p><b>MPI Use Only</b></p> <p>Forestry Officer Name: <input type="text"/> Date: <input type="text"/></p> <p>Signed: <input type="text"/></p> <p>Source confirmed: Y <input type="checkbox"/> / N <input type="checkbox"/> / NA <input type="checkbox"/></p> <p>Expiry Date: <input type="text"/></p> <p>Customs clearance number: <input type="text"/> (Provide this to your Customs broker)</p>	<p><b>AssureQuality/MPI Use Only</b></p> <p>Signed: <input type="text"/> Date: <input type="text"/></p> <p>Forestry Officer Name: <input type="text"/></p> <p>EXPORT: APPROVED <input type="checkbox"/> / NOT APPROVED <input type="checkbox"/></p> <p>Application No: <input type="text"/></p>
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Key feature: Customs clearance number

**Notes:** Exporters are advised to check with [www.mpi.govt.nz/law-and-policy/requirements/importing-countries-phytosanitary-requirements](http://www.mpi.govt.nz/law-and-policy/requirements/importing-countries-phytosanitary-requirements). Export information is provided on the back of this form. Email [phytocerts@asurequality.com](mailto:phytocerts@asurequality.com) or fax 07-575-8110 your completed form to AsureQuality-Mt Maunganui.

**Attachment 4: Harvested Wood Levy Statement**



**\* \* SAMPLE ONLY \* \***

**SUPPLIER COMPANY**

**STATEMENT PRINTED:** 20 Sep 2018

**Commodity Owner Name**

Postal Address 1

Postal Address 2

**SUPPLIER CODE:** UNK00001

**REFERENCE:** 0000000017

**NEW ZEALAND HARVESTED WOOD LEVY STATEMENT**

To whom it may concern,

A levy is imposed on all wood material harvested from plantation forests in New Zealand under the Commodity Levies (Harvested Wood Material) Order 2013. All the harvested wood material supplied by Commodity Owner Name is subject to that levy.

STATEMENT VALID FOR: 01/09/2018 - 31/08/2019

**AUTHORISATION**

This statement is issued by Levy Systems Limited at the request of the above named entity. Levy Systems Limited are contracted to administer the levy for the Forest Growers Levy Trust.

This is a true representation of information in the Harvested Wood Commodity Levy System.

*signature here*

Andrew Taylor  
Chief Executive Officer  
Levy Systems Ltd  
Email: [operations@levysystems.co.nz](mailto:operations@levysystems.co.nz)  
Website: <http://www.levysystems.co.nz/>

Key feature:  
government stamp

