FOREST OWNERS ASSOCIATION

Annual Report 2025

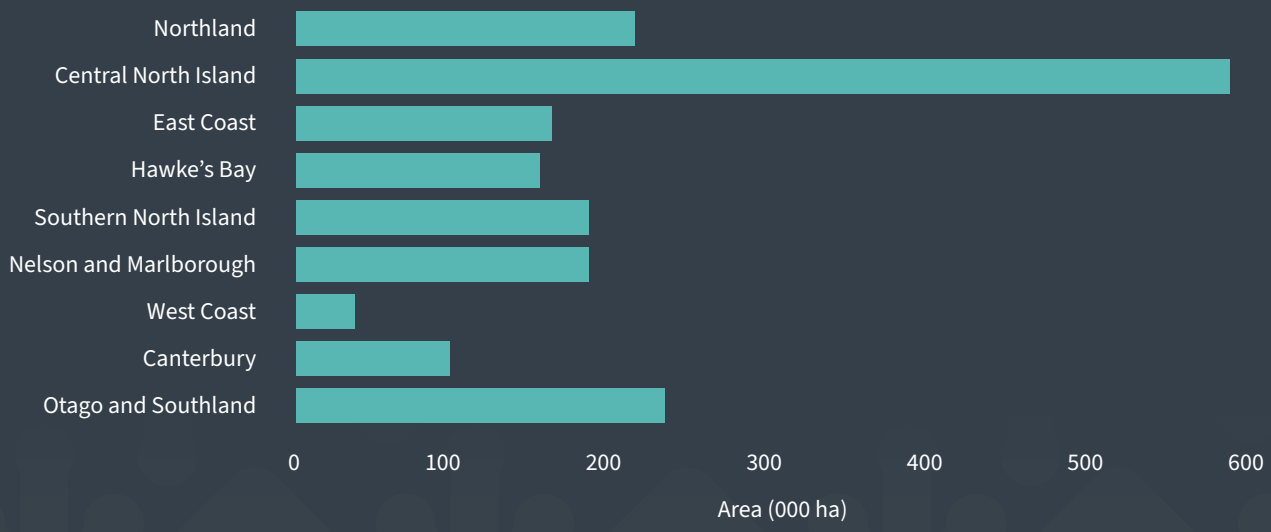
www.nzfoa.org.nz

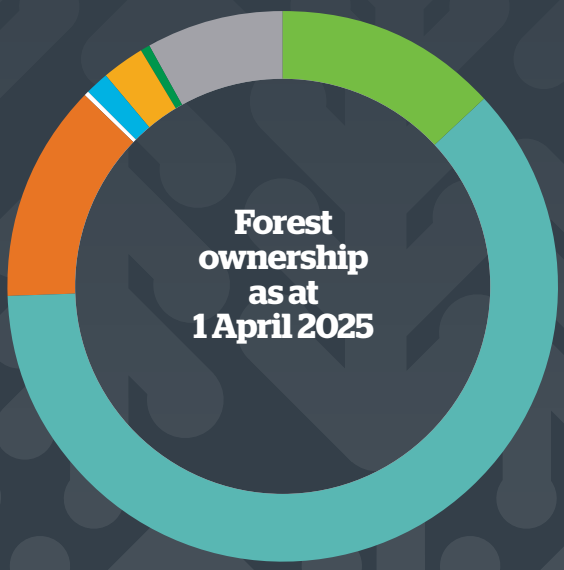
Front cover image; Port Blakely Limited
Inside front cover image; Forest360

Contents

Highlights

Distribution of forest area by wood supply region as at 1 April 2025





Privately owned (under 40 ha)... **242,321 ha**

Privately owned (1000+ ha)... **1,115,337 ha**

Privately owned (40 – 999 ha)... **229,052 ha**

Registered public company... **9,372 ha**

Central government... **22,510 ha**

Local government... **43,566 ha**

State owned enterprise... **13,122 ha**

Other... **143,154 ha**

Source: www.mpi.govt.nz/dmsdocument/70949/direct

$6.17 billion
in forestry exports to June 2025

New Zealand's
fourth largest
primary export industry

1.81 million
hectare plantation forest estate year ended April 2025

32.5 million m^3
harvested year ended December 2025

18.8 years
average forest standing age

President's message

After two rewarding years as President of the New Zealand Forest Owners Association, I will be passing the baton, with this column being my final contribution.

As is the NZFOA convention, a new President will be elected at our Annual General Meeting (AGM) in March 2026, continuing the Association's tradition of strong leadership.

Forestry continues to play a pivotal role across New Zealand's economic and environmental landscape. Benefits to soil, water and air quality accumulated from the 1.8 million managed hectares of commercial forest are immeasurable. More than 40,000 people work in the sector across forest growing, processing, supply chain and science sectors, to name a few.

Looking ahead, the opportunities for forestry in New Zealand are considerable

From just under seven percent of New Zealand's total land area, our industry contributes close to $7 billion in export earnings, protects and enhances the landscape and enriches New Zealand's biodiversity by providing valuable habitats for many of our native species. Often overlooked, our commercial forests also contain significant areas of native forest and conservation land.

Forests are everywhere. Wood products are everywhere. Truly renewable resources. New Zealand foresters and politicians need to work together to cultivate better forests for stronger communities – both commercial and native forests – along with the products and benefits they yield. We need to be strong in our conviction about the role forests should play in our landscapes and carefully consider how they contribute to our communities and the economy.

In recent years, we have seen significant changes in market dynamics, regulatory frameworks and the broader environmental landscape. We have had more storms and regional states of emergency than I care to remember – all of which have tested our resilience and adaptability. This 2026 year is an election year. The NZFOA will be advocating strongly, not only for effective rules and regulations from central government, but also for proactive policy that supports the development of better forests and stronger communities.

Key to this is the small, permanent team working for the NZFOA. I say small, as compared to other primary industries we have relatively meagre resources at our disposal and many, many things to do. Policy advice and advocacy and public relations are critical functions in the current environment, but equally traditional forestry functions like workplace health and safety, biosecurity, science and research, all remain equally important. My sincere thanks to the team – they work tirelessly for our members and our industry.

Looking ahead, the opportunities for forestry in New Zealand are considerable. We are well-placed to increase our contribution to the nation's prosperity, develop innovative wood-based products, create skilled jobs and enhance the landscape's biodiversity, soil, water and air quality.

The NZFOA will be advocating strongly for proactive policy that supports the development of better forests and stronger communities

Thank you to all members, partners and staff for your commitment and hard work over the past year. I am proud of what we have achieved together and excited for the opportunities ahead – for our forests, our communities and the country as a whole. As I step back, I will be watching with great interest to see how the Association and wider sector continue to shape policy, deliver results for members and ensure our forests remain productive, resilient and beneficial for generations – and foresters – still to come.

Matthew Wakelin
March 2026

Chief executive's year in review

The year 2025 was not routine for forestry. It was a year in which the sector's competitiveness, legitimacy and resilience were actively tested.

Against a backdrop of regulatory reform, international trade uncertainty and intensifying public debate on land use, the New Zealand Forest Owners Association focused on one clear objective – protecting the long-term profitability and resilience of our forest owners.

Our strategy remained consistent – that is, to support a profitable, resilient sector through collaboration, strengthening our licence to operate by positioning the NZFOA to be as effective and disciplined as possible in representing forest owners' interests.

In 2025, that strategy was actively put to work.

Sustained cost pressure remained one of the most significant risks to forestry operations' profitability. Mitigating this risk will come, in part, from lower costs, particularly compliance costs, reducing regulatory complexity and improving market certainty.

We partnered with other forest leaders to challenge Emissions Trading Scheme (ETS) fee increases, achieving further reductions which are now under government consultation.

The coming year will see a continued focus on Resource Management law reform, reducing operational costs and regulatory burden and deepening our partnerships across the sector

Profitability also depends on securing and expanding our export markets, including our offerings to those markets. The NZFOA continued to support the development of the India-NZ Free Trade Agreement in 2025, engaging internationally to protect market access. I travelled to the United States to meet with international forestry leaders and government representatives to discuss the impacts of tariffs and international regulations such as the European Union Deforestation Regulation (EUDR). In an increasingly protectionist global environment, proactive engagement is essential to safeguarding market access for New Zealand forest products.

Climate volatility added further pressure for growers last year, too. Record rainfall hit the Nelson-Tasman region in June and July, resulting in flooding, slips and damage to forest infrastructure. Strong winds, coupled with already saturated soils, saw more than 7500 hectares of production forest affected by windthrow alone. NZFOA supported immediate on-the-ground response efforts – working with wood councils to coordinate and lead communications with media and the Government during both the response and recovery phases. Southland, Clutha and Hurunui were then hit by destructive winds of 150km/h in late October – testing forest design, operational resilience and the public's confidence in forestry practices.

These events once again placed forestry under national scrutiny, reinforcing how closely operational performance and public perception are now linked.

Public discourse on forestry intensified in 2025, beginning with a coordinated lobbying campaign from Federated Farmers in June, linking the decline in sheep numbers to forest expansion. The claims gained political traction and risked simplifying a complex land-use and market story into a narrative that positioned forestry as the primary cause of change in rural communities.

Wherever possible, we reinforced written advocacy with select committee appearances to ensure forestry's perspective was heard publicly and directly

The NZFOA responded quickly and directly – debunking claims with data, engaging with media and reinforcing the economic and environmental contribution of production forestry.

We also witnessed these external perceptions shape policymaking. The Government proceeded with Land Use Capability (LUC) restrictions on ETS registration amid farmers publicly airing concerns about land use. The only silver lining was the restrictions were not expanded beyond the original proposal – a direct result of NZFOA's advocacy and evidence-based engagement alongside other forestry leaders.

Across the year, the team made 27 submissions on a range of policy matters, including the vocational education reform, the Resource Management Act reforms, gene technology, trade and local government settings. Wherever possible, we reinforced written advocacy with select committee appearances to ensure forestry's perspective was heard publicly and directly.

Internally, we strengthened NZFOA's governance framework, progressing compliance against the new Incorporated Societies Act and adopting a new constitution. The Forest Training Committee was also restructured in partnership with the Forest Industry Contractors Association (FICA) to ensure training and workforce initiatives remain fit-for-purpose for NZFOA members and the wider sector amidst the swathe of vocational education reform. The coming year will see a continued focus on Resource Management law reform, reducing operational costs and regulatory burden and deepening our partnerships across the sector – particularly with contractors and wood processors.

My heartfelt thanks to the team for their dedication to our growers, to the sector volunteers who generously give their time to our Committees, to the Committee chairs whose expertise drives positive outcomes for the industry and to the NZFOA Executive Council for their leadership and guidance.

Particular acknowledgement is due to outgoing NZFOA President Matt Wakelin. His extensive leadership and commercial expertise have strengthened the Association's focus on supporting forest owners' interests, advanced initiatives across biosecurity, environmental management and innovation and positioned the industry well for the future.

Dr Elizabeth Heeg
March 2026

Activities

From protecting forest health to advocating for practical policy settings, the New Zealand Forest Owners Association represents members' interests across a range of national issues, working to create conditions where forestry remains productive, competitive and sustainable. This section highlights NZFOA's work over the past year across biosecurity, environment, fire, advocacy and engagement, SME forest owners, transport and logistics, forest training and forest research, science and technology.

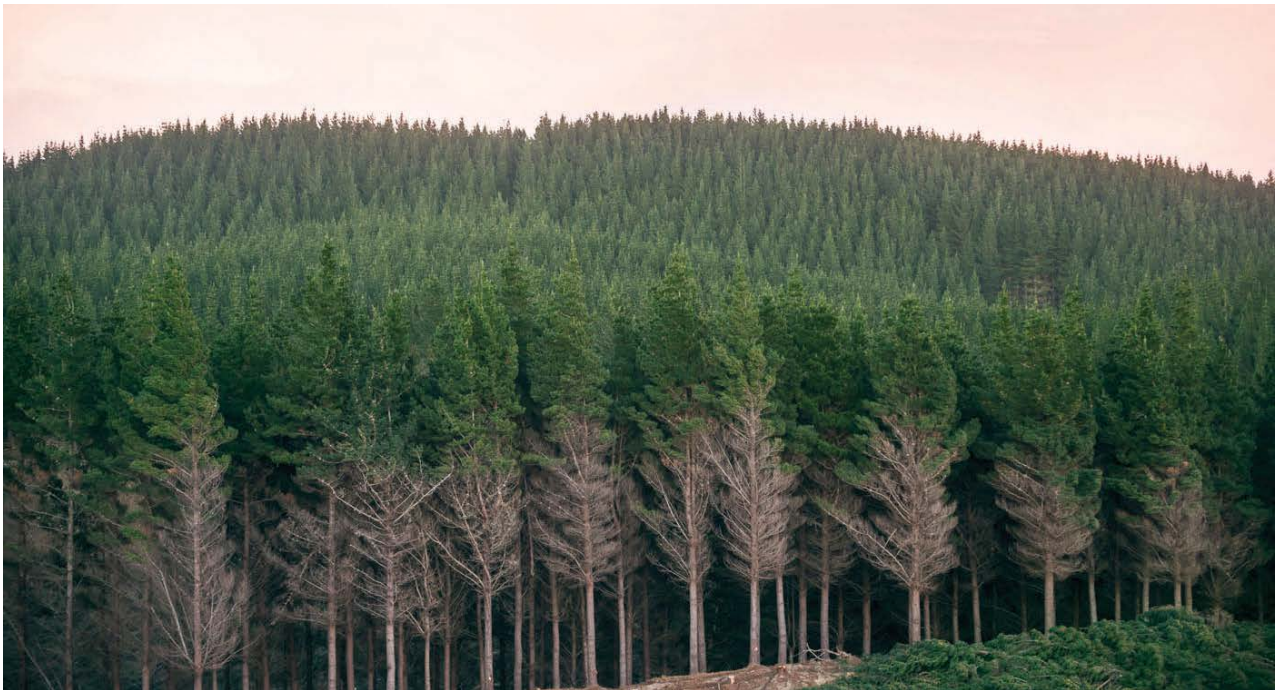
Biosecurity

Recognising the significant impact new pests or pathogens could pose to forest health, trade and employment, the NZFOA maintains a strong, proactive focus on improving biosecurity protection.

The NZFOA–NZFFA Forest Biosecurity Committee, with support from the FGLT, works with forest owners, government, science groups and operational service providers, to ensure that forest owners' interests are represented and protected within the national system, while leading the industry's approach to forest biosecurity.

756
diagnostic outcomes
were generated from 563 pest and pathogen samples in 2025

25
significant detections
in 2025. While one was a new species for New Zealand, it had likely been here for some time



↑ Image; Forest360

Forest Biosecurity Surveillance System

The Forest Biosecurity Surveillance System, a key component of the biosecurity work programme, is now in its eighth year of operation, continuing to help safeguard plantation forests and support market access through ongoing monitoring for pests and pathogens of significance.

Comprised of three core surveillance programmes delivered by SPS Biota – The *Forest Biosecurity Surveillance Programme, Non Model Assessments* and *Forest Health Assessments* (FHA) – the system works alongside business-as-usual general surveillance efforts such as reports from forest managers, industry and the public, as well as ongoing scientific research. It is also underpinned by the *Forest Health Diagnostics Service* delivered by Scion group under the Bioeconomy Science Institute (BSI).

Surveillance extends from international ports of entry to high risk urban areas, peri urban forests and right into large commercial forests. This layered approach maximises the likelihood of early detection while providing robust baseline data.

Forest Health Assessments (FHA), funded and conducted by forest owners and managers, remain a critical component of the system. Suspected pests, pathogens or health symptoms identified during surveys are submitted to the Forest Health Diagnostics Service for identification and investigation where required, with this information furthering our wider forest health knowledge base.

In 2025, 756 diagnostic outcomes were generated from 563 samples, including 256 from the FHA programme. Of the 25 notable detections, only one met the threshold to notify Biosecurity New Zealand. Following investigation, this detection was stood down.

No production or quarantine pests were confirmed, supporting New Zealand's strong forest health status and ongoing market access.

Three core surveillance programmes

1. Forest Biosecurity Surveillance Programme
2. Non Model Assessments
3. Forest Health Assessments (FHA)

Layered surveillance system

Gene technology

The NZFOA has long supported reform of legislation governing new genetic technologies – including gene editing – noting that current settings are outdated, overly restrictive and not risk based.

The NZFOA continued its advocacy on this in 2025, lodging both a written and verbal submission supporting the Gene Technology Bill and the establishment of a risk-proportionate, evidence-based Gene Technology Regulator. We highlighted that modern gene technologies could be critical to improving pest and disease resistance, climate resilience and productivity in forestry while still appropriately managing higher-risk activities. The submission recommended an enabling, future proof legislative framework, with detailed requirements addressed through regulations rather than the Act itself.

Modern gene technologies could be critical to improving pest and disease resistance, climate resilience and productivity in forestry

The Committee also opposed a draft Forest Stewardship Council (FSC) interpretation classifying all CRISPR-based gene editing as genetic modification. It argued that non-transgenic techniques, such as SDN-1 and SDN-2, produced changes equivalent to natural mutations or conventional breeding. NZFOA recommended these techniques be excluded from the GMO definition and that FSC update its GMO policy to reflect current scientific evidence and international regulatory practice.

Complementing this work – and to support sector readiness in genetic technologies – NZFOA convened a pan sector gene technology workshop involving representatives from across the forestry value chain, government and related sectors. The workshop strengthened understanding of proposed regulatory changes and explored responsible integration of new breeding technologies.

Discussions focused on industry stewardship, self-regulation, supply chain and risk management, certification readiness and stakeholder engagement. Participants identified potential challenges arising from outdated definitions used by some international certification bodies. While the Bill has since stalled, the workshop outcomes will inform next steps when legislative progress resumes.

↑ The GIA governance group visiting Kaingaroa Tipu's Whakarewarewa forest in November

Submissions

The cost of a signifcant forest biosecurity incursion far exceeds the investment required to prevent one. Ensuring the sector's expertise is heard and forest owners' interests are represented in policy and regulatory matters is critical to protecting the long-term resilience and health of New Zealand's forests and maintaining market access.

Reflecting this, the Committee contributed to several policy processes during 2025.

In addition to gene technology consultations, the Committee also submitted on:

Local Government Amendment bill

NZFOA's submission emphasised that biosecurity is a critical public good function of local government, with councils playing a central role in coordinating pest management, surveillance and community-led initiatives, particularly across urban–rural boundaries and high-risk entry points. We raised concerns that the proposed amendments to the Bill could weaken councils' ability to deliver effective biosecurity outcomes and called for the definition of core local government services to explicitly include biosecurity and asset protection.

View here: www.nzfoa.org.nz/resources/file-libraries-resources/submissions/2025/934-local-government-system-improvements-amendment-bill/file

Biosecurity Action Plan

The Biosecurity Action Plan seeks to create a shared direction for people and organisations committed to strengthening New Zealand's biosecurity system. NZFOA's submission provided input on priority areas from a forestry perspective, identifying where the sector could support, contribute to, or align with collective efforts to strengthen New Zealand's biosecurity system.

View here: www.mpi.govt.nz/biosecurity/about-biosecurity-in-new-zealand/an-action-plan-to-strengthen-new-zealands-biosecurity-system

Cost recovery for plant and forestry export certification

The need for a robust and transparent phytosanitary certification system was supported but the NZFOA raised strong concerns about the fairness, timing and proportionality of the proposed cost increases, especially the retrospective recovery of accumulated deficits.

Our recommendations included rejecting retrospective recovery (or phasing it), implementing regular and transparent cost reviews and increasing Crown contributions in recognition of the significant public-good benefits delivered by the system.

View here: www.nzfoa.org.nz/resources/file-libraries-resources/submissions/2025/942-proposed-updates-to-mpi-s-cost-recovery-for-plant-and-forestry-export-certification/file

Plant Pass hazard checklist review

The NZFOA backed proposed updates to the *Plant Pass* checklist, noting improved clarity, practicality and flexibility for nursery operators while maintaining strong biosecurity outcomes. Our submission provided targeted recommendations to refine terminology, address feasibility and better align checklist requirements with forestry-specific biosecurity risks and operational practices. These changes aim to remove perceived barriers enabling forest nurseries to participate in the scheme.

View here: www.nzfoa.org.nz/resources/file-libraries-resources/submissions/2025/941-plant-pass-checklist-version-2-0/file

These changes aim to remove perceived barriers enabling forest nurseries to participate in the scheme

Trade certification cost recovery

Our submission supported MPI's trade certification system and the principle of industry cost recovery, but argued that fees needed to be transparent, equitable and usage based, with clear value demonstrated to exporters. Concerns about compounding cost increases were highlighted, along with insufficient recognition of public good benefits that should be Crown funded. A flat, regularly adjusted fee structure with stronger sector engagement in system design and investment decisions was recommended.

View here: www.nzfoa.org.nz/resources/file-libraries-resources/submissions/2025/943-cost-recovery-for-mpi-trade-certification/file

↑ Appleton's Nursery out of Nelson is one such nursery participating in the *Plant Pass* programme

Environment

The Environment Committee advocates on behalf of production forest owners on environmental matters with the core mission of ensuring forest owners have practical licence to operate.

Chaired by Sally Strang, its members – forest owners, scientists, forest managers and small grower representatives – volunteer their time to advocate on environmental regulation and guide policy direction. An expert resource management consultant is also engaged for national regulatory issues that affect forestry.

To support this work, the Committee commissions data-driven research that underpins policy discussions and submissions, including evidence that helps correct misconceptions about the environmental impact of pine forests.

↑ An Australia-New Zealand delegation, including Environment Committee members, attended the Forest Stewardship Council's Panama City event in 2025

Statutory change and advocacy

Influencing national environmental regulation and provision of sector submissions has always remained central to the Environment Committee's work and 2025 was no different.

While the number of submissions lodged was slightly lower than in previous years, the substance of each submission was significantly more expansive, addressing complex, broad sweeping issues such as the Resource Management reform, Legal Harvest Assurance and Electricity (Hazards from Trees) Regulations.

There was less need for regional advocacy compared to previous years, perhaps due to the successful outcome of the Environment Canterbury *Plan Change 7* High Court case. The case has set a national precedent requiring councils to base regional plan changes on evidence. As a result, there is now less risk of unnecessary restrictions and inconsistent, obscure regulatory settings in New Zealand for forest owners.

	2021	2022	2023	2024	2025
Submissions on National Regulatory matters	8	7	9	17	12
Submissions on Regional matters			4	3	

Each submission prepared by the Environment Committee involves a significant investment of time, expertise and cost. In 2025, this effort translated into tangible outcomes for forest owners. Key industry concerns raised in earlier stages of consultation on Resource Management reform were incorporated into the latest iteration and the revised Bills – The Natural Environment Act (NEA) and Planning Act (PA) – now reflect the Committee's engagement on matters such as the retention of existing use rights, removal of the effects management hierarchy as a legislative bottom line and the inclusion of appropriate timeframes for wood processing consents.

Environmental guidance and certification

Work continued on updating and merging the *Environmental Code of Practice* (ECOP) and the *Forest Practice Guides*, a multi-year project scheduled for completion in 2026. Most chapters were drafted, ensuring the updated guidance reflects modern operational and environmental practice.

The Committee maintained its participation in the Forest Stewardship Council (FSC) Standards Development Group and FSC Cluster Group. A five-person contingent also attended the FSC General Assembly in Panama City, taking 90 votes on key motions to protect New Zealand's interests in certification requirements. Attendance strengthened international connections and brought about opportunities and fora for engagement to ensure FSC rules remain practical and manageable for our forest owners.

Updated guidance reflects modern operational and environmental practice

Pākuratahi land use study

The Environment Committee continued its collaboration with the Hawke's Bay Forestry Group and Hawke's Bay Regional Council on the Pākuratahi paired catchment study. With second rotation harvesting due shortly in the Pākuratahi catchment, the study is an opportunity to build on the original 12-year dataset (1993 – 2005). The current project uses modern data collection technology to capture additional water quality information and measure sediment losses in forested versus farmland catchments. Collection of water quality data commenced in 2025 with new monitoring stations installed. Eventually the data will be used for the Committee's advocacy work. This research strengthens forest owners' position in regional planning and environmental compliance.

Wilding tree advocacy

The NZFOA has been a member of the Wilding Pine Network (WPN), a wilding control advocacy group, for many years now. Subscription ensures forest owners' interests are well represented in the various wilding conifer fora, including presentation of sector case studies by Committee members at the annual WPN conference.

↑ Collaborative and forestry-led management efforts are helping to reduce wilding conifer spread and support wider landscape restoration

Fire

Well-managed production forests, overseen by trained personnel, play a critical role in reducing wildfire risk.

Emerging fire risks driven by land use change and climate pressures, combined with fluctuating national wildfire response capacity and evolving regulatory demands, are making skilled forest management and fire planning increasingly critical to protecting forest assets and surrounding communities.

The NZFOA-NZFFA Fire Committee, with FGLT support, engages with Fire and Emergency New Zealand (FENZ) and the Department of Internal Affairs (DIA), as well as relevant government Select Committees (i.e. the Governance and Administration Select Committee). The Committee works to represent forest owners' interests, strengthen operational and strategic relationships and support effective fire preparedness.

Together with NZFOA members, the Committee helps build and coordinate rural fire capability across the sector, providing guidance, advocacy and leadership to safeguard plantation forests and the communities that rely on them.

↑ Image; Veronic Clifford

Fire strategy 2025-2030

In early 2025, the Committee released its *Fire Strategy 2025–2030*, marking a shift from an operational focus to broader strategic leadership and advocacy.

The Strategy puts forward a clear vision, mission, focus areas and intended outcomes for the forest sector and identifies the critical shifts needed to strengthen industry resilience to wildfire risk. It also formalises the sector's long-term commitment to responsible fire management as a signatory to the *Plantation Forestry Rural Fire Control Charter*[1] (June 2021).

The Strategy provides a coordinated framework to guide engagement with government and operational partners, supporting consistent fire risk management practices across the sector, through to 2030.

View here: www.nzfoa.org.nz/images/Forest_Sector_Fire_Strategy_2025_2030.pdf

1 nzfoa.org.nz/resources/file-libraries-resources/agreements-accords/703-plantation-forestry-rural-fire-control-charter/file

New Forest Fire Risk Management Guidelines

The Fire Committee published an updated version of the *Forest Fire Risk Management Guidelines*, originally released in 2018.

The guidelines remain a key reference for forest owners and managers, providing practical, structured guidance to identify, assess and reduce wildfire risk across plantation forest operations. They translate regulatory requirements and best practice fire management into clear, on the ground actions, supporting improved risk reduction, preparedness, effective response and a shared, proactive approach to wildfire risk management across the sector.

In updating the guidelines, the Committee reviewed changes to the regulatory environment, emerging risks and other factors not addressed in the original version.

The revised edition better reflects regulatory updates and current fire risks, ensuring the document remains current and fit for purpose, continuing to provide forest owners with practical, actionable guidance to manage wildfire risk effectively.

View here: www.nzfoa.org.nz/resources/file-libraries-resources/fire/933-fire-risk-management-guidelines-for-rural-land-managers/file

The guidelines remain a key reference for forest owners and managers, providing practical, structured guidance to identify, assess and reduce wildfire risk

Wildfire and forest fire capability data

A sector-wide *Wildfire Statistics and Forest Fire Management Capabilities Survey* was undertaken in late 2025, building on baseline data collected in 2022.

The survey captured consistent, comparable information on wildfire occurrence, fire protection costs, insurance levels and firefighting capability across New Zealand's plantation forest estate. The results will provide an evidence base for quantifying the sector's investment in insurance, fire prevention and suppression and will aid in assessing fire preparedness.

A final report will be published in 2026, providing NZFOA members with data-driven insights to inform industry planning, strengthen engagement with FENZ and government and guide effective wildfire risk management and policy development.

↑ A controlled burn of wilding conifers. As well as mitigating wilding spread, these burn exercises help build fire management experience and capability for industry, FENZ and volunteers. Image; Paul Hart, Ernslaw One

Fire communications plan

During the year, the Committee engaged support to develop a coordinated fire communications plan that would strengthen how the forest sector engages with media, stakeholders and the public on wildfire risk.

The plan establishes a clear framework for proactive and reactive communications, supports consistent, evidence-based messaging and reinforces the sector's role as a responsible and collaborative partner in fire risk management.

It is designed to build public understanding, counter misinformation, support behaviour changes and maintain confidence in the sector's preparedness and ongoing investment in wildfire prevention.

With increased media attention on rural fires over the 2025/26 season, the plan has already proven to be an effective tool for coordinating the sector's response.

The fire communications plan is designed to build public understanding, counter misinformation, support behaviour changes and maintain confidence

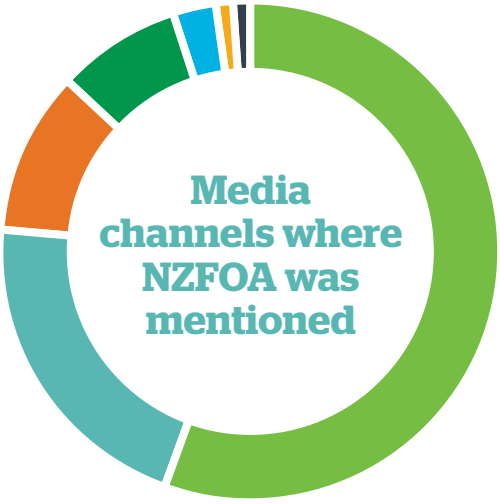
↑ A controlled burn within a managed landscape, as part of ongoing forest fire preparation efforts. Image; Paul Hart, Ernslaw One

Advocacy and engagement

Representing and advocating for the interests of forest owners is a central function of the New Zealand Forest Owners Association's communications programme.

Through timely and proactive engagement with media, policymakers and stakeholders, the Association works to ensure forestry's economic, environmental and regional contributions are understood and accurately portrayed in public discussion. These communications ultimately promote the interests of forest owners, helping to protect operational viability and leverage sector influence.

Volunteer members of the Promotions Committee support this work, bringing expertise that shapes priorities and facilitates communication between forest owners and key sector stakeholders, including the New Zealand Farm Forestry Association and the Forest Growers Levy Trust.



Online **55.6%** Radio **20.8%** Announcements **10.7%**
Print **7.9%** TV **2.8%** LinkedIn **1.1%** Podcasts **1.1%**

What people were talking about

- Land use change
- Forestry's environmental footprint
- Pest management
- The India-NZ FTA
- Fire risk
- Differential rates
- Harvest practices
- Carbon forests
- The Emissions Trading Scheme

An evolving media landscape

While production forestry continued to operate under public scrutiny in 2025, media reported on a broader range of forestry-related topics than in previous years – from farm-to-forest conversions to fire risk, pest management, vocational education reforms, mill closures and more. Attention coalesced around a common thread: widespread concern over forestry's environmental and community impact.

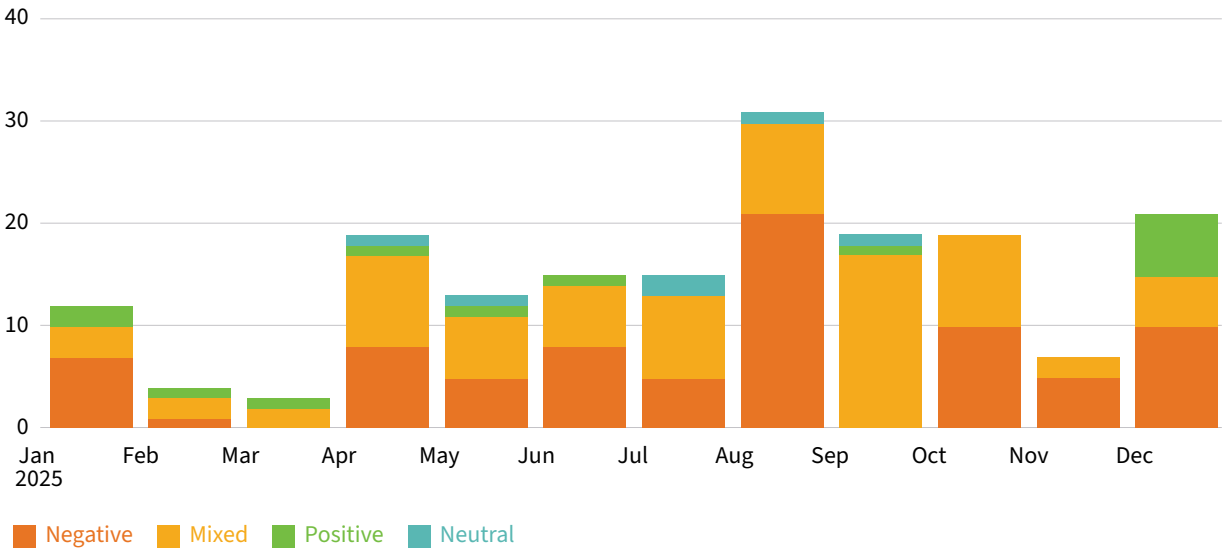
Land use drew sustained public debate, particularly with respect to farm-to-forest conversions. Federated Farmers' '*Save Our Sheep*' campaign in June amplified public angst around conversion of pastoral farms. Media coverage often framed forestry as displacing traditional agriculture, with NZFOA responding to explain the economic and environmental benefits of well-planned afforestation.

Concerns about pest management emerged shortly after, as farming lobbies emphasised tensions along farm-forest boundaries and neighbouring land. The NZFOA highlighted growers' proactive measures and collaboration with landowners to manage pests responsibly, reinforcing the sector's commitment to environmental stewardship and communities.

The Nelson–Tasman storms over June and July held the media's attention on forestry operations and harvest practices; however, coverage was notably more measured compared to historical events. Few reporters directly attributed downstream effects to forestry; instead the focus was largely on how the storms affected the wider community and local economy, including a range of primary producers such as forestry. The region's strong connection to primary industries and the community's broader awareness of forestry's role in supporting the local economy are likely contributors to this contrast in public acceptance of the sector and media coverage.

The immediate storm response was supported by NZFOA staff, deployed to assist the Top of the South Wood Council with on-site media engagement – including fronting television and radio interviews – and coordinating commentary on the financial and operational impacts for the sector. Dedicated response communications were also circulated to support flood-affected forest owners. Most media coverage was balanced and constructive, providing an opportunity to highlight forestry's operational standards, including safety practices and environmental safeguards.

Sentiment of NZFOA media coverage in 2025



Foreign ownership became a focal point later in the year. High-profile land purchases reignited longstanding stereotypes about overseas ownership of New Zealand forests, raising questions about social responsibility and the extent to which benefits flow back to local communities. NZFOA engaged proactively to ensure balanced commentary, highlighting the economic contribution of responsible overseas investment, the governance frameworks in place and the broader benefits forestry delivers to regional communities.

The Association also issued seven media releases over the course of the year. While this was fewer than in 2024, the reduction reflects a concerted effort to shift from reactive communications to strengthening industry's voice on issues of importance to forest owners through direct engagement with reporters. NZFOA undertook around 150 interviews – a 70 percent increase on the previous year. This approach allowed the team to shape narratives before they crystallised, providing expert commentary and context to ensure forest owners' perspectives were consistently represented in public debate.

Our engagement resulted in the publishing of 178 articles and media items, with coverage of NZFOA across radio, print, online and through podcasts. Of this, 44 percent was of mixed sentiment on forestry, 44 percent negative, eight percent positive and three percent neutral. Peaks in negative sentiment correlated with high-profile events, such as the *Save Our Sheep* campaign. Increased positive sentiment at the tail of the year was observed – perhaps due to a combination of greater saturation of industry-wide campaign efforts from the Forest Growers Levy Trust and the prominent Free Trade Agreement announcement with India.

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Forestry articles with the most engagement in 2025

1. A district 'swallowed' by pine trees: Fears over IKEA forests
2. IKEA's Hawke's Bay pine tree expansion flames fears residents will be left to pay
3. Fears high country land could be planted in pine under government's climate plan
4. Pōrangahau residents want forestry law changes after massive blaze
5. Industry working together against feral pests
6. Forestry: Rotorua consultant warns of tough times for NZ log exports to China
7. Call to ditch the ETS 'carbon subsidy'
8. 'Disaster waiting to happen': Fears carbon farming increases risk of wild fire
9. Govt set to move on forestry restrictions
10. Forest owners push back on watchdog report

Connecting with forest owners

Enhancing engagement with members remained a core focus in 2025.

NZFOA's e-newsletter continued to provide practical guidance for growers each month, plus details on the latest submissions and issues of national significance.

Greater effort was made to provide members with opportunities to give feedback and help shape programmes of work through surveys, webinars and workshops and other targeted communications.

Newsletter subscribers increased by 14 percent, achieving incremental growth towards improved connection across the sector. On average, close to 50 percent of all recipients opened each newsletter, with 20 percent engaging with further reading, links and calls-to-action. The *Chief Executive's column* continued to attract the highest engagement in each newsletter, demonstrating that members value direct, expert insights from NZFOA leadership.

150
media interviews
conducted in 2025

14 percent
increase in newsletter subscribers

20 percent
of newsletter subscribers engaged with further reading, links and calls-to-action

↑ Harvest crews working in a King Country forest. Image; Shiree Marshall, Manulife Forest Management

The *Bulletin* magazine

Produced three times a year, the *Bulletin* magazine has been a valued NZFOA resource for more than 20 years, telling forestry's story and connecting members and stakeholders with sector news.

A light refresh occurred in October, introducing consistent templates, design standards and typographic systems, while improving accessibility and readability. A full review of the publication was also undertaken, including surveying members on their preferences for receiving NZFOA's publications – digital or hard copy – ensuring forest owners' needs and expectations continue to be met.

Recommendations to further improve the value of the *Bulletin* have been submitted to the NZFOA Executive Council to consider for implementation in 2026.

Facts & Figures

Facts & Figures is an annual publication produced by NZFOA in conjunction with the FGLT, providing up-to-date industry data on timber production, workforce insights, economic impact, export statistics and more. Produced for more than 20 years, it remains a key resource for benchmarking operations, tracking sector performance and monitoring market trends.

In 2025, a comprehensive review of design was undertaken to address practical issues with the publication's long-standing DL brochure format, including binding stress, busy layout, higher printing costs and readability. The publication has subsequently been redesigned in an A5 booklet, with larger fonts, more space for charts and graphs, clearer headings and summaries and a vibrant new colour scheme. Digital interactive versions are also being explored to improve accessibility and engagement.

The *2024/25 Facts & Figures* will be published under the new design and format.

Small and Medium Enterprise (SME) forest owners

Small- and medium-scale forest owners – managing woodlots ranging from one to 999 hectares – account for around 25 percent (in area) of New Zealand's production forest estate.

The Small and Medium Enterprise (SME) forest owners Committee represents these growers' interests, ensuring that the perspectives, needs and challenges of smaller-scale forest owners are heard and considered by industry groups, stakeholders and local and central government.

Chaired by the New Zealand Farm Forestry Association (NZFFA) president, the SME committee is comprised of NZFFA members who own small and medium sized woodlots, as well as larger forest growing representatives, combining practical experience with broader industry insight.

In 2025, the Committee continued to focus on building business resilience, supporting species diversification and providing tools to help SME forest owners plan and manage their forests efficiently.

Establishing timber properties of poplar varieties

Research on three poplar varieties – Toa, Eridano and Yunnan (*Populus yunnanensis*) – sought to determine characteristic bending strength and stiffness. Toa and Eridano were rated SG12 for strength, with Yunnan rated at SG6. Stiffness ratings were SG8 for TOA and SG6 for Eridano and Yunnan. The combined average strength for all three poplar varieties was SG10 and average stiffness SG8. The mechanical performance data derived from this research allows poplar varieties to be specified more confidently for a range of construction applications.

↑ Sawing a poplar log to produce boards for strength testing. Note the pronounced dark heartwood in this clone

Abies Grandis health and provenance assessment

As part of a multi-year trial, seed was collected from 47-year-old *Abies grandis* (grand fir) trees in Gwavas Forest in Central Hawke's Bay – the goal being to establish the best provenances for tree growth and survival, while assessing potential pest and pathogen risks.

The main provenance proved largely infertile, yielding low germination rates between five and 30 percent. Despite this, the seed that did germinate produced approximately 35,000 one-year-old seedlings which will be available for growers to plant in 2026, supporting ongoing diversification and resilience efforts.

↑ One-year-old *Abies Grandis* seedling

Pūriri cold tolerance

Pūriri (*Vitex lucens*) seedlings are considered frost-tender; however, the effects of cold acclimatisation as a method to increase its robustness had yet to be tested. This research found that pre-exposure to cold reduces overall leaf-area damage on pūriri during overnight frost events. While frost damage is mitigated, overall photosynthetic efficiency was reduced after overnight cold stress, regardless of the duration of prior cold acclimatisation.

These findings are hoped to provide nurseries with cold acclimatisation insights to reduce pūriri frost tenderness and manage growth expectations.

↑ Pūriri (*Vitex lucens*) is a native hardwood with great potential as a commercial forestry species

Improving alternative species functionality in Treefarmer

Treefarmer was upgraded with six new species productivity surfaces in 2025 and models wood yield by log grade integrated using the BSI – Scion group – *Multi Species Calculator*. Landowners can now compare the productivity and yield of 11 timber species on their own sites using their home computer. The tool also assists with the development of diversification strategies for timber and carbon.

6 new species
added to Treefarmer

Landowners can now compare productivity and yield of

11 timber species

https://treefarmer.fgr.nz

Forest training

New Zealand's 1.8-million-hectare production forest estate relies on a skilled and adaptable workforce of approximately 40,000 people, including around 8500 directly employed in harvesting, silviculture, engineering and forest management roles. Maintaining and developing this workforce is critical for operational performance, safety and long-term sector resilience.

Forestry continued to navigate workforce and training instability in 2025, with major reforms underway to the vocational education system, work-based learning structures and funding systems.

The Forest Training Committee – previously referred to as the Training and Careers Committee – also underwent substantial change, being restructured to strengthen its ability to provide greater advocacy and coordination for improved forestry training and workforce outcomes.

Operating as a joint initiative between the NZFOA and the Forest Industry Contractors Association (FICA), the new Committee is comprised of representatives from Ngā Pou a Tāne, FICA and large- and small-scale forest owners.

It provides strategic leadership of forestry training and delivers coordinated industry advice to government during a period of significant vocational education reforms. Its focus is on improving training delivery for learners and employers, ensuring funding is used effectively and making the system simpler and more responsive to industry needs.

The Committee wishes to acknowledge Tasman Pine Forests executive director Steve Chandler, who served as the Training Committee chair for many years. Steve's leadership and expertise played a key role in advancing forestry's workforce development and we sincerely thank him for his contributions.

He is succeeded by newly appointed chair Kevin Ihaka – an experienced forestry governor and vocational training leader who owns a Northland-based silviculture and rural fire control business.

8500 people
directly employed by forestry

Forestry has the highest training participation rate of any primary industry, with more than
90 percent
of workers engaged in formal training

More than
85 percent
of harvesting and silviculture training occurs on the job

3400 individuals
were enrolled nationwide in harvesting and silviculture qualifications in 2025

48 percent
were enrolled in Level 4 programmes

Workforce planning strategy

The upheaval in vocational education systems and providers in 2025 saw the Forest Training Committee providing greater than usual direction on forestry training.

A 24-month strategy was developed in response to reforms to provide national direction on forestry's training and workforce needs. The strategy aimed to:

- Support an orderly transfer of on-the-job harvesting and silviculture training from Competenz to a new provider
- Identify a new training organisation to retain critical forestry expertise, trainers, assessors and intellectual property
- Simplify training for employers
- Strengthen industry's voice in funding and qualification settings, including addressing misaligned programme investment
- Improve workforce forecasting.

The NZFOA-FICA partnership provides a strong platform to deliver these outcomes for learners and the wider forestry sector.

Training advocacy

The Committee worked closely with the Food and Fibre Chief Executives Group and the Food and Fibre Leadership Group to align consultation positions and sector priorities in 2025.

These efforts ensured forest owners' perspective on training, workforce development and funding remained visible and influential in shaping national vocational education reforms, protecting the interests of members and the wider forestry workforce.

Key efforts included:

- Strengthening forestry's representation on the Industry Skills Board (ISB), including nominating experienced candidates
- Raising concerns with Minister of Forestry Hon Todd McClay and Minister for Vocational Education Hon Penny Simmonds, regarding the absence of forestry representation on the ISB and reinforcing the importance of maintaining unit standards over skills standards
- Supporting the establishment of more focused, efficient ISBs and highlighting the critical role of work-based learning for forestry, including the need for funding parity with a classroom-based provision.

↑ Diploma in Forest Management students completing log measurement field work

↑ Image; Forest360

Submissions

The Committee lodged five submissions on multiple national consultations in 2025:

1. Options for the future of work-based learning

Dismantling Te Pūkenga and replacing Workforce Development Councils (WDCs) with the new ISBs was endorsed. The Committee's submission highlighted that previous WDCs were inefficient and disconnected from industry needs and that an independent work-based learning option better aligned funding with practical training requirements for forestry. The Ministry ultimately adopted the independent model.

2. Industry Skills Board Coverage – Tertiary Education Commission

The establishment of ISBs was welcomed on the basis of increasing industry accountability and providing a streamlined scope compared to WDCs. The Committee advocated for forestry to be allocated to the Food and Fibre ISB, emphasising the need for board-level representation – particularly given the critical nature of training in managing high-risk hazards on forestry sites.

While a dedicated forestry seat on the ISB was not secured, NZFOA's engagement ensured visibility and influence within the ISB and provided opportunities to nominate candidates for remaining seats.

3. Proposed Variations to 2026 Funding Determinations

The Committee opposed a seven percent funding reduction for work-based learning (WBL) that was proposed, challenging the assumption that WBL is cheaper to deliver than classroom-based training. It was emphasised that forestry's reliance on remote worksites and one-on-one training needs make WBL particularly resource-intensive. With the highest work-based training participation rates in the Food and Fibre sector, the submission[2] argued that forestry relies so heavily on training to manage health and safety risks that any reduction would not only hinder industry development, but there would be a disproportionate impact on forestry. Despite these concerns, WBL funding reductions were ultimately implemented.

↑ Students at the Bioeconomy Science Institute (BSI) – Scion Group – labs looking at forest pathogens and insects

4. Proposed changes to NCEA

The Committee supported changes to simplify and standardise the NCEA programme, including removing NCEA Level 1, introducing a new *Foundation Award* for Years 12 and 13, requiring minimum literacy and numeracy standards and returning to clear marks out of 100 with letter grades. All changes were ultimately adopted.

5. Industry Skills Boards technical feedback

The Committee provided targeted technical feedback on the Orders in Council establishing the new ISBs. Key recommendations included staggering director terms to maintain governance continuity and requiring each Board to establish formal industry advisory groups – with employer representation – that meet quarterly and provide structured sector feedback. These measures responded to shortcomings in the previous WDC model.

2 https://www.nzfoa.org.nz/resources/file-libraries-resources/submissions/2025/928-consultation-on-proposed-variations-to-2026-funding-determinations/file

Training continuity and quality

Maintaining consistent, high-quality training pathways is central to ensuring a skilled and adaptable forestry workforce. In 2025, the Committee focused on safeguarding existing programmes, managing transitions and supporting sector-wide training continuity amid ongoing reform.

Transition of forestry training

The Committee led due diligence on options for transferring the national harvesting and silviculture vocational training network from Competenz, following the Government's requirement to select either a Polytechnic, Wānanga, or Private Training Establishment (PTE).

A feasibility study confirmed that a forestry PTE was commercially viable at current learner numbers and could operate without additional industry funding. However, high establishment costs, the need for specialist governance and Tertiary Education Commission (TEC) timeframes made this option impractical.

Independent advice recommended aligning with Primary ITO as a dedicated forestry division, backed by a strong industry advisory group and dedicated board to protect forestry's influence. The analysis also highlighted forestry as having one of the highest numbers of learners in training across primary industries, comparable to, or exceeding, other major sectors such as agriculture and horticulture.

Forestry qualifications review

Recommendations were made to Muka Tangata and NZQA to defer the proposed 2025 forestry qualifications review until 2028, noting that current qualifications remain largely fit for purpose, and that a shift from unit standards to skill standards amid extensive reform would be complex, confusing and costly. Muka Tangata agreed to pause the review, which will be revisited by the Food and Fibre ISB in 2028.

Diploma in Forest Management – Transition to Turanga Ararau

The Rotorua-based *Diploma in Forest Management* has changed hands for the first time in more than a decade, following Toi Ohomai's withdrawal from delivering the programme.

The diploma, a key pathway for harvesting and silviculture staff to progress into supervisory and forest management roles, was transferred with the Committee's support to Turanga Ararau, an Iwi-based PTE in Gisborne which delivers New Zealand's only other Level 6 forestry diploma. Turanga Ararau will deliver the diploma from 2026.

The programme has been refreshed to meet current sector needs, including new material on practical leadership and commercial forestry knowledge. It will be delivered in eight block courses over two years from the existing Rotorua classroom on the current Toi Ohomai O block Campus – enabling learners to study while remaining employed. The existing tutor has also been retained to ensure continuity and expertise.

Maintaining consistent, high-quality training pathways is central to ensuring a skilled and adaptable forestry workforce

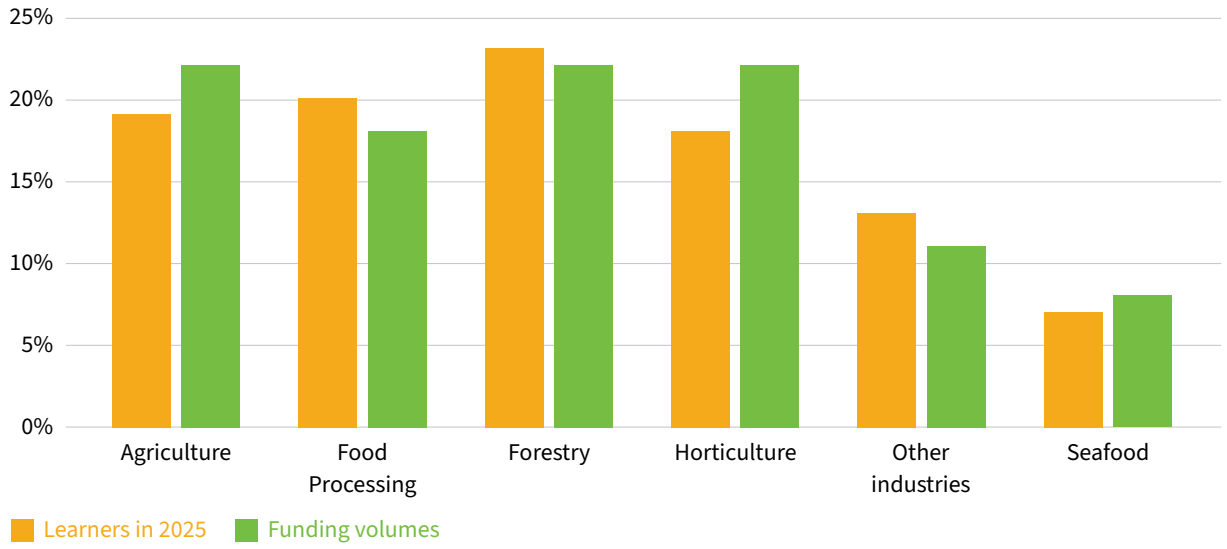
The revised diploma primarily targets industry employees seeking to upskill, with potential appeal for motivated school leavers. The 2026 pilot has 11 students enrolled, with plans to expand and introduce video and remote learning in future iterations, ensuring the continuation of the programme's 30-year legacy while modernising it for today's workforce.

Aligning workforce insights with training investment

Collaboration with Muka Tangata has improved the accuracy of forestry workforce statistics, correcting overstated overall numbers and mis-weighted specific roles from the previous model. The updated data has since been provided to the new Food and Fibre ISB.

NZFOA also guided TEC and Muka Tangata on priority areas for 2026 vocational training funding, leading to substantial revisions of their initial recommendations. Analysis showed that over 90 percent of training occurs at Levels 3 and 4 across a small number of key programmes. Funding has since been revised to reflect this, directing harvesting and silviculture resources to programmes with the greatest industry demand and importance.

2025 work-based learners across primary industries



Transport and logistics

The Transport and Logistics Committee serves to enhance log transport safety, efficiency and compliance across the supply chain, collaborating with the likes of the Log Transport Safety Council (LTSC), New Zealand Transport Agency (NZTA) and stakeholders in the forest growing sector.

Log transport is a critical component of harvesting and often represents the largest operational cost for forest owners. The Committee's work supports safe, professional and efficient national operations, to the benefit of both drivers and communities.

Advancing log transport standards

The Committee participates in quarterly collaboration meetings with the NZTA and works closely with the LTSC, which has two members on the Committee, to advance log transport safety and support the development of practical, industry-relevant log transport standards.

Key initiatives this year included addressing chain breakages and trailer detachment issues, endorsing the *LTSC Contractor Certification Scheme*, refining the *Alternative Fatigue Management Scheme* and validating the *Weigh in Motion* system.

Committee chair Tim Sandall also spoke at six regional roadshows delivered by the LTSC executive team. More than 100 people attended the events, which covered fatigue management, contractor certification, driver wellbeing, trailer chain certification and more. The roadshows provided a valuable opportunity to engage directly with the sector, share knowledge and resources, while raising awareness of the importance of log truck safety in partnership with LTSC.

↑ Image; Forest360

Committee members also contributed to the Scion Log Transport Biosecurity workshop[3] in March, providing guidance and input to the resulting report. The workshop explored practical steps to develop a national log transport response readiness plan and educational resources for operators to minimise the spread of pathogens via soil movement. A subgroup will work with the Biosecurity Committee to evaluate feasible next steps while considering operational practicality and industry costs.

These collaborations deliver tangible improvements for industry safety and log transport compliance.

3 https://nzfoa-my.sharepoint.com/personal/joseph_brolly_nzfoa_org_nz/_layouts/15/onedrive.aspx?id=%2Fpersonal%2Fjoseph%5Fbrolly%5Fnzfoa%5Forg%5Fnz%2FDocuments%2FDocuments%2FMy%20Board%20Reports%2FTransport%20Committee%20Files%2FScion%20Log%20Transport%20Biosecurity%20Workshop%20Summary%2Epdf&parent=%2Fpersonal%2Fjoseph%5Fbrolly%5Fnzfoa%5Forg%5Fnz%2FDocuments%2FDocuments%2FMy%20Board%20Reports%2FTransport%20Committee%20Files&ga=1

Smartflow charges

In December, the Committee coordinated an industry response to Napier Port's introduction of the $15 per-truck Smartflow charge. Equivalent to approximately 50 cents per JAS, the charge was estimated to cost the forest growing sector $1.34 million annually. The letter, developed with input from the Hawke's Bay Forestry Group and endorsed by the NZFOA Executive Council, requested removal of the fee, outlining concerns that the charge does not deliver an additional service, was not requested by the forestry sector and has not demonstrably improved port efficiency.

Napier Port chief executive Todd Dawson declined the request to remove the charge, rejecting claims the Port is using its monopoly position to increase revenue.

NZFOA is now seeking legal advice on the viability of a potential Commerce Commission inquiry.

Scan the QR code to read the NZFOA Smart Flow Levy Letter

Road Engineering Manual updates

Work commenced on updating the *NZFOA Road Engineering Manual* to align with the most recent suite of changes to the WorkSafe Approved Code of Practice (ACOP).

Road engineering specialists have advised that certain definitions require updating and that guidance on maximum grades needs clarification. A subcommittee will continue progressing this work in 2026.

Log Transport Safety Improvement Plan

The Log Transport Safety Improvement Plan (LTSIP) maintains consistent standards of behaviour, safety culture and compliance across New Zealand's log transport sector.

Updated as part of its two-year review, key changes in 2025 included recommending the installation of forward- and rear-facing in-cab camera systems on log trucks and encouraging greater use of vehicle stability control and tracking technologies to strengthen fleet safety. A new, higher target of 60 percent fleet participation in the *LTSC Contractor Certification Scheme* has also been set.

Monitoring compliance through log truck audit surveys at ports remains a core focus of the plan.

Scan the QR code to read the Log Transport Safety Improvement plan

Log transport incidents

Analysis of 2024 transport (IRIS[4]) incidents found 32 percent involved log transport, of which ten percent resulted in a 'lost time' or 'medical treatment' injury. Of these 'lost time' and 'medical treatment' injuries, 47 percent were from chain tensioning issues, 26 percent were associated with loading and unloading (primarily slips, trips and falls around trucks) and 15 percent involved log cartage. Kaingaroa Tipu commissioned additional analysis within its estate to provide deeper insights. Ongoing review as part of the High Potential Incidents project with the Forest Industry Safety Council (FISC) will help the Committee better target safety improvements.

Scan the QR code to read the Log Transport Data from IRIS: 2024

Alternative Fatigue Management Scheme

A trial involving NZTA, LTSC and the Committee as part of the *Alternative Fatigue Management Scheme* (AFMS) was a success, with 520 trucks now operating under the scheme – which allows for more flexible rest breaks while maintaining strict safety standards. Operators must hold LTSC contractor certification at level 4 or 5, use electronic logbooks, install fatigue cameras and implement an NZTA-audited fatigue management plan. Drivers that took part in AFMS reported lower stress and no loss of productivity. NZTA has endorsed the programme, extending registrations for two years and progressing rule changes, delivering wider benefits for forest owners through improved safety and supply chain reliability.

520 trucks

now operate under the scheme which allows for more flexible rest breaks while maintaining strict safety standards

4 https://nzfoa-iris.com/Login.aspx

Forest research, science and technology

Forest Growers Research Ltd (FGR) is New Zealand's specialist forest research management company, coordinating the scoping, development, contracting, funding, delivery and uptake of forest research and development (R&D) projects across the sector.

These projects directly support forest owners by providing practical, evidence-based solutions to improve productivity, operational efficiency and long-term forest value.

Approximately a third of FGR's work is funded through the Harvested Wood Material Commodity Levy, with other funding stemming from government investment, industry partnerships and in-kind contributions. In 2025, the Research, Science and Technology portfolio received $4.9 million in levy investment – a ten percent increase on 2024 – generating strong returns for forest owners, with $2.60 raised for every levy dollar invested.

The NZFOA plays an enabling role as FGR's trustee shareholder, providing the structural support necessary for FGR to operate independently for the benefit of industry investors. While the FGLT is a key source of research investment, NZFOA as the shareholder of FGR provides governance oversight, with NZFOA staff providing operational expertise that helps translate research into practical, member-relevant outcomes.

Forest Growers Research managed 25 research programmes and projects in 2025, 11 of which were continuations of long-term programmes such as the Automation and Robotics (A&R) programme, 21st Century Tissue Culture Programme (TCP), Tree Root Microbiome and the Precision Silviculture Programme (PSP). Fourteen were new initiatives, expanding the breadth of innovation across the forestry value chain. Each project aligns closely with the *Forest Growing Science and Innovation Strategy 2020–2035,* ensuring research is directly relevant to forest owners and supports practical operational improvements.

↑ FGR's new A&R programme research assistant, Patrick Humphrey

New on the team – appointment of Patrick Humphrey

Patrick Humphrey joined the FGR team as research assistant for the Automation and Robotics (A&R) programme, supporting Programme Manager Keith Raymond. Pat supports the translation of A&R research into practical outputs for industry, while contributing to the development of FGR's next major research programmes. His role is shared with a post-doctoral position at the University of Canterbury, strengthening collaboration between the School of Forestry and FGR.

Pat submitted his PhD in Forest Engineering in late 2025, examining opportunities for machine data to improve the monitoring and management of harvesting operations. His interests lie in bridging the gap between emerging technologies and on-the-ground forestry practice, with a focus on data-driven, automated solutions for the future forest workforce.

Forest Growers Research conference

The Forest Growers Research (FGR) conference, *The Science of What's Next,* took place in Auckland in October 2025, attracting over 120 delegates from across the forestry sector. The conference highlighted research directly relevant to forest owners, demonstrating practical applications across the value chain.

Several recurring themes emphasised outcomes with member impact: New Zealand's steep terrain makes technology adoption uniquely challenging; improved data capture offers opportunities to drive operational change; and research delivers value when applied in operational settings.

Key innovations with immediate practical relevance included PlantMax mechanised planting adaptation, remote sensing for chemical thinning, precision GPS spade technology and shredded wood for roading trials. Other sessions highlighted applied research in tree root microbiomes, forest hydrology, gene technology and tissue culture robotics — all supporting forest owners' productivity and operational efficiency.

The conference concluded with a field trip to West Auckland, demonstrating automated nurseries, chemical thinning trials, environmental protection strips and harvesting operations in partnership with Ngāti Whātua o Kaipara, Matariki Forests, and Manulife, giving members firsthand exposure to research in practice.

↑ The 2025 FGR conference field trip took delegates on a tour of Woodhill Forest

↑ Sam Middlemass (right) received the *Innovation that Enhances Sector Value* award at the conference

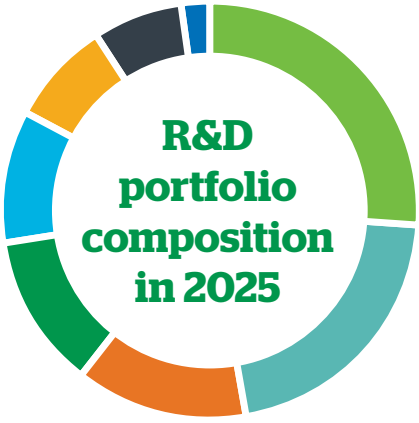
2025 Annual Science Report

The *2025 Annual Science Report* from FGR is a landmark resource for New Zealand's forestry sector. Spanning the full spectrum of FGR's programmes – from automation and robotics in harvesting, to precision silviculture, specialty species trials and micro-innovation – the report translates cutting-edge research into practical, evidence-based insights. It highlights innovations that improve safety, productivity and sustainability and provides forest owners with actionable knowledge to inform decision-making and strengthen the sector's long-term resilience.

Outputs snapshot

$4.9 million
of levy funds were invested into FGR projects in 2025

120 people
attended FGR's annual conference in 2025



Silviculture **26%**
Productivity and Resilience **21%**
Biosecurity **13%**
Genetics and Propagation **12%**
Environment **10%**
Harvesting **8%**
Diversification **7%**
Other projects **2%**

Highlights

2025 workshops FGR facilitated / participated in:

- Logging truck hygiene
- Development of a draft nutrition strategy for the industry
- Resilient forestry workshop
- Gene technologies workshop
- Uncrewed Aerial Spraying System (UASS) for precision spraying
- Silviculture for resilience
- Future Leaders/Senior Leaders Megatrends

Ask FGR was launched
– an AI-powered tool that provides easy access to decades of forest research

The Forest Research Committee rolled out **a five-pillar strategy** – covering economic, ecological, technological, social-cultural and political-regulatory dimensions – to guide future research strategy and investment

The 21st Century Tissue Culture Programme (TCP)

The 21st Century Tissue Culture Programme (TCP) is developing an automated tissue culture platform to deliver elite germplasm to the industry more cost effectively. Now in its seventh and final year, the programme is jointly funded by the levy, MBIE and Scion through its Strategic Science Investment Fund (SSIF).

Why this work matters

The programme aims to reduce the cost and variability of clonal production while improving the reliability of elite planting stock for forest growers.

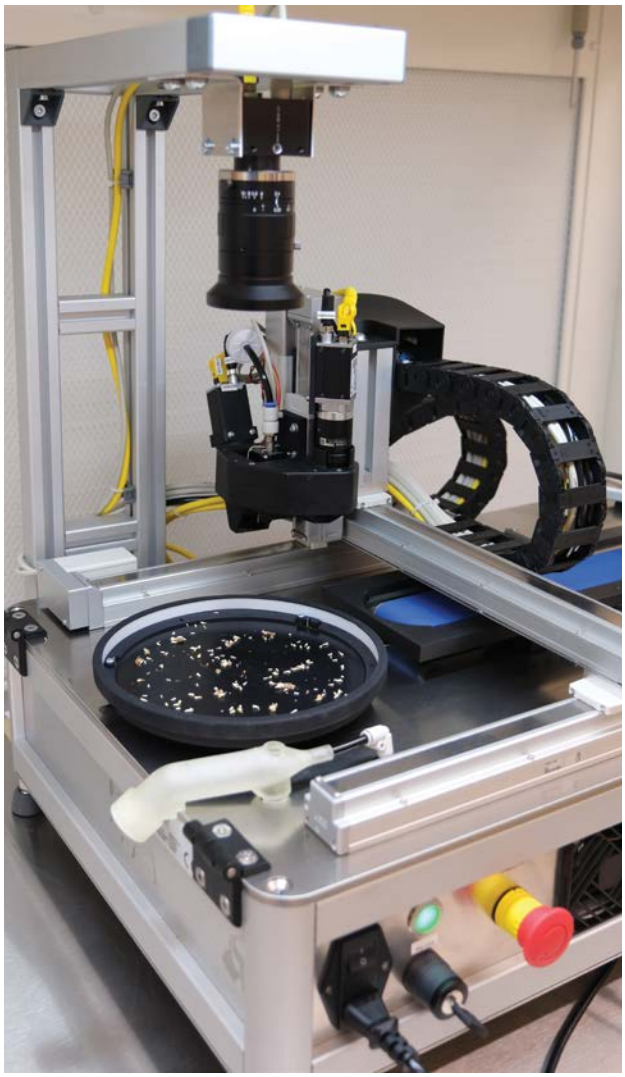
Building confidence in transitioning somatic embryos from the lab to nursery

Successfully scaling somatic embryo technology requires nursery systems that produce resilient, high-survival plantlets. Trials are evaluating pre-sterilised Obturo Vivi™ plugs alongside biodegradable polylactic acid (PLA) and jute alternatives, testing both direct deposition from cold storage and germination after short Petri plate treatment. Advanced root architecture and stem strength testing provide objective measures of plantlet quality and transplant readiness. Early results highlight root development challenges across mini-plug types. Collaboration with industry partners, including trials at Nga Rakau Nurseries and knowledge exchange with colleagues in Quebec and Alberta, is helping resolve current limitations.

Precision embryo selection in tissue culture

By integrating robotics and AI-driven image analysis into the somatic embryogenesis process, the Tissue Culture Programme is automating quality embryo selection – a critical bottleneck that has traditionally relied on subjective technician assessment.

Early results demonstrate the system can predict germination success rates with approximately 90 percent accuracy, while reducing variability in seedling quality. The system analyses embryos from multiple angles, identifying subtle morphological indicators correlated to future viability. This improved consistency across large production volumes. The system's compact design means a single operator can manage several robot units simultaneously, creating efficiency gains throughout the production process.



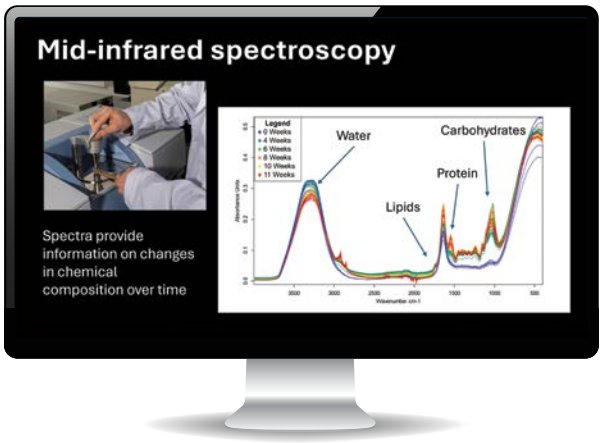
↑ A combination of robotics and AI-driven image analysis is helping automate quality embryo selection

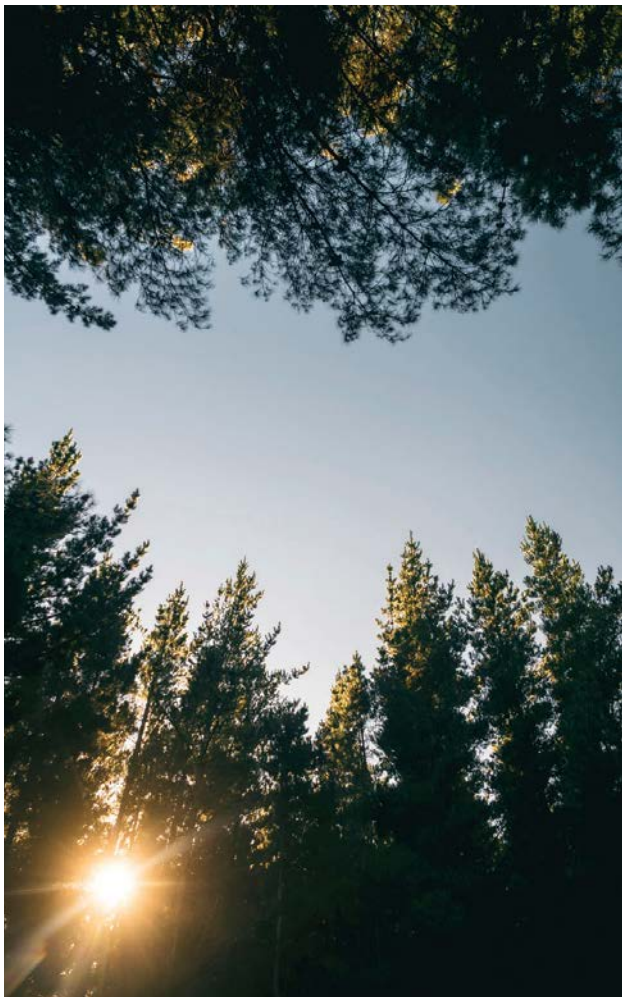
Deciphering an invisible blueprint

Advanced biochemical analyses, such as mid-infrared spectroscopy, are being used to detect early indicators of embryo performance, helping improve efficiency and reduce cost in clonal production.

Even when embryos appear identical, techniques such as mid-infrared spectroscopy can identify which are likely to succeed and which are likely to fail – allowing intervention before months of production effort are invested.

By tracking key compounds through maturation and cold storage, more detailed biochemical profiles are generated, supporting quality monitoring, optimise handling and storage decisions tailored to the embryo's condition rather than rigid schedules. When combined with robotic visual assessment, this approach could improve success rates and reduce wasted production effort in elite genetic material via tissue culture.





↑ Image; Forest360

The Precision Silviculture Programme (PSP)

The Precision Silviculture Programme (PSP), now entering its fourth year, continues to drive change to forestry practices through mechanisation, automation and digitalisation. This seven-year initiative is funded by MPI, the levy and 15 forest companies and other stakeholders. The programme aims to enhance productivity, create higher-value and safer jobs and minimise environmental impact.

Why this work matters

By improving planting efficiency, operational safety and data-driven decision-making, the PSP directly supports forest owners in achieving faster growth, higher-quality crops and lower operational costs, while helping manage environmental and regulatory risks.

Adapting international technology to boost planting rates

Early results demonstrate the potential to increase mechanised planting rates from 950 to 1440 seedlings per hour through a world-first adaptation of overseas planting technology to New Zealand conditions. Working with Pan Pac Forest Products and Gisborne's AP Plant & Machinery, the PSP team successfully transferred Sweden's PlantMax planting system onto a Morooka tracked dumper base, overcoming the manoeuvrability challenges that had limited the original EcoLog forwarder platform.

↑ The PlantMax machine arriving, ready for field trials

A clip-on/clip-off design also allows the base to serve multiple purposes beyond planting, improving equipment utilisation. Field trials show the adapted system can plant one seedling every two seconds when running continuously, with just 20-second turnarounds between rows. Some challenges remain, including stump navigation and track wear, which will be addressed in extended trials scheduled for 2026.

Doing the heavy lifting – a revolutionary new UAV takes shape

SPS Automation is developing a new generation of heavy lift Spot Spraying UAVs for precision chemical application across forestry operations that integrates Beyond Visual Line of Sight (BVLOS) connectivity for future autonomous deployment. The project has evolved from initial quadcopter concept to a purpose-built hexacopter platform which features a 50kg liquid payload capacity and a 120-minute flight time. A first-of-its-kind spray system delivers precise application during continuous flight, reducing waste and minimising environmental impact. From concept to functional prototype, this project exemplifies FGR's commitment to delivering practical innovation that addresses real industry challenges.

↑ SPS Automation's new generation of heavy-lift spot spraying UAVs allows for more precise chemical application across forestry operations

Digital tools move into beta testing

Two digital tools offering practical solutions for forest managers to improve efficiency and decision-making in silviculture have moved into beta-testing. Both tools are now available to use on the FGR website.

- **TreeTools**, developed by Interpine, enables real-time forest assessment through DJI drones' VirtualPlot software, providing immediate feedback on stocking during thinning operations, even without mobile coverage. SilvaCloud leverages LiDAR data to deliver rapid stand-level stocking assessments that operators can use directly in the field.
- **PlantIT**, developed via Integral, streamlines tree stock management from nursery to forest through touch-free QR code scanning, GPS tracking and offline capability. The mobile app replaces paper records with digital receipts and photographic documentation, reducing logistical errors and capturing previously missed revenue opportunities.

Automation and Robotics (A&R) programme

Commencing in 2019, Forestry Work in the Modern Age – *Te Mahi Ngahere i te Ao Hurihuri* (A&R programme) – is jointly funded by the levy, MPI and contributions from forestry companies and contractors. This nine-year programme aims to create value, improve profitability and enhance sustainability through development of automation technologies in harvesting and logistics across the forestry value chain.

Why this work matters

By introducing automation, robotics and data-driven solutions, the A&R programme helps forest owners improve harvesting efficiency, reduce operational costs, enhance worker safety and make more informed management decisions across their forests.

Grappling with harvesting residues

Three hauler slash grapples were developed and trialled in 2025 to efficiently extract woody residues from the cutover to meet the 15m^3 per hectare NES-CF regulations. The linear-type grapple achieved approximately 50m^3 per hour, while the larger circular claw-type grapple featuring a three-metre opening handled larger and randomly oriented residues. Both designs attach to swing-yarders in 10–15 minutes. The third protoype, designed for a grapple carriage operation, is less robust and requires reconfiguration. Trials found that much of the residue material consists of windthrown trees and large broken stems, which is substantially larger than branches or broken tops, requiring robust, heavy grapples capable of holding onto larger sized material, resulting in several grapple redesigns.

Turning harvesting residues into roading solutions

Repurposing surplus harvesting residues as roading material has been tested as a cost-effective, environmentally friendly alternative to scarce aggregates and winter site reinstatement. Trials found that 500mm-deep layers successfully supported heavy logging traffic, including trucks carrying up to 5000 tonnes of stems at 50 tonnes GCW.

↑ Foresters in Pan Pac's Mohaka Forest watching a trial turning wood residues into roading material. Image; Pan Pac Forest Products Ltd

Harnessing machine data to improve harvesting operations

In 2025, this A&R project translated raw operational data into practical management information for improved efficiency, decision-making and training. The new system captures data from mechanised harvesting operations and displays it through an interactive dashboard. Trials achieved over 95 percent accuracy in identifying individual machine activities, laying the foundation for a more connected, data-driven approach to harvesting with higher productivity and fewer operational errors.

Resilient Forests Programme (RFP)

The six-year Resilient Forests Programme (RFP) aimed to make New Zealand's forests more sustainable and resilient to future challenges. Focusing on radiata pine, it targeted risk reduction and productivity gains in the forestry industry. The programme was funded by the levy and the Bioeconomy Science Institute's Strategic Science Investment Fund and has now been completed.

Why this work matters

By generating actionable knowledge on growth, disease and wind risks, the RFP provides forest owners with tools and guidance to improve management decisions, reduce financial and environmental risk and enhance long-term forest productivity.

Research identifies need for updated growth models

A comprehensive study recording ground measurements between 2013 and 2023 has concluded that two widely used growth models – the Pumice Plateau Model 1988 (PM88) and the 300-index — overpredict radiata pine growth by 6.8–16.2 percent at harvest age. These 30-year-old models are producing inflated projections for harvest volumes, forest valuations and carbon sequestration, with the gap widening from mid-rotation onwards when accurate predictions matter most. The discrepancy is likely driven by a combination of climate change and shifts in management (re-establishment, proportionally more ex-agricultural sites, and reduced or re-phased thinning). This work highlights the critical need for industry investment in new modelling approaches that explicitly incorporate climate variables and can provide reliable projections under changing rather than static conditions.

This work highlights the critical need for industry investment in new modelling approaches that explicitly incorporate climate variables

Quantifying social licence strengthens community trust

This social licence research project has provided a new nationwide baseline across nine wood-supply regions, highlighting areas where forest owners can strengthen community engagement, transparency and environmental stewardship to improve their overall social licence to operate. The research has highlighted that industry's economic contribution is well recognised, particularly forestry's role in job creation and regional development. The challenge lies in establishing institutional trust (2.6/5) and environmental approval (2.75/5) with the public, with an overall social licence score of 2.9/5. This acceptance rating provides a solid foundation to build on, highlighting clear focus areas: improving transparency, strengthening community engagement and demonstrating ecological stewardship, particularly around slash management.

Red Needle Cast risk prediction tool launched

Red Needle Cast (RNC) is a needle disease caused by the pathogen *Phytopthora pluvialis*, which thrives between temperatures of 10°C and 20°C. Temperatures exceeding 23°C and low moisture conditions have been found to stop its cycle. The disease affects both radiata pine and Douglas-fir, reducing productivity through substantial defoliation, with recurring RNC reducing radial growth by up to 20 percent – a value reduction of 17 percent (approx. $22,000 per hectare).

The *Red Needle Cast Daily Risk Prediction Tool* has since been developed to optimise disease control measures and help forest owners safeguard tree productivity from RNC. With severity fluctuating seasonally, the model predicts infection risk based on temperature and moisture, enabling targeted interventions to protect growth and reduce defoliation. The tool was finalised in 2025 and recently launched in February. It will soon be freely available to use via the FGR website.

Other programmes

Exploring strategies to reduce Terminal Crook Disease (TCD) in radiata pine nurseries

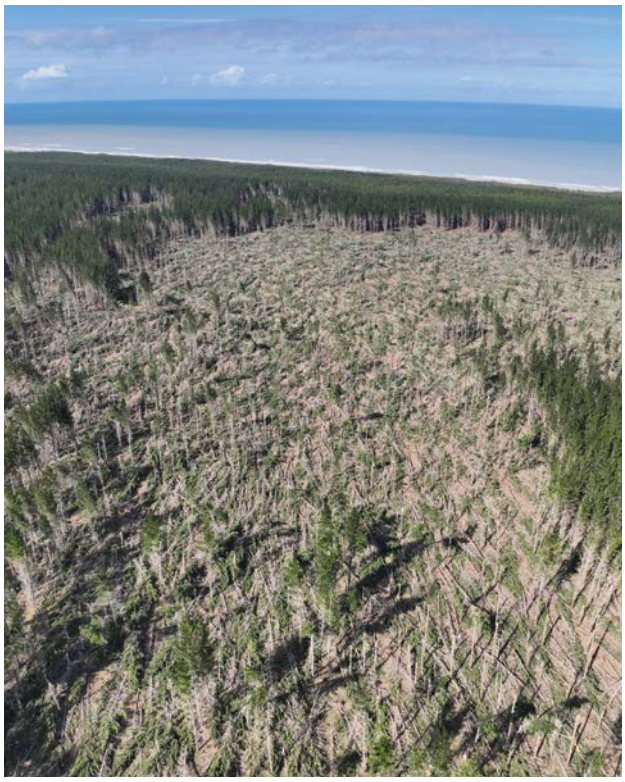
Glasshouse trials for terminal crook disease (TCD) indicated that treating radiata pine seedlings with Cyprodinil and Fluodioxonil (Switch® with Du-Wett® Weather Max®) could reduce disease incidence in healthy seedlings by 35 percent compared to untreated controls. Improving fungicide spray coverage on seedlings further enhanced results: using fine droplets increased coverage by 170 – 192 percent, while adding a 0.02 percent adjuvant boosted coverage by 271 percent. These findings suggest that recent disease outbreaks may be linked more to poor spray coverage rather than fungicide resistance. Trials also revealed important differences in disease severity between isolates from different regions, reinforcing the need for strong biosecurity practices to prevent spread between nurseries. These findings provide nursery managers with practical, evidence-based options for fungicide rotation strategies, particularly during weather conditions highly conducive to TCD outbreaks.

Wind-damage risk reduction in plantation forests

This project used wind-damage research to provide forest managers with practical, evidence-based insights to mitigate wind risk in New Zealand's plantation forests. Analysis of Cyclone Gabrielle tested the international ForestGALES model for evaluating forest management options and identifying high-risk areas for targeted intervention. The study confirmed that current thinning practices in New Zealand radiata pine plantations remain appropriate, with stands typically reduced to 400–600 stems/ha at age 6–8 and about 300 stems/ha at age 10–12. However, wind vulnerability is highest immediately after thinning, particularly during severe storms. Recommendations include practical risk-reduction measures such as thinning smaller areas at a time, maintaining higher stocking in high-risk sites and selecting structurally stronger genotypes for exposed locations. The research found that ForestGALES can predict overturning and guide targeted risk-reduction interventions, providing practical insights that forest owners can apply to improve stand resilience.

Advancing genetic tools for eucalyptus species

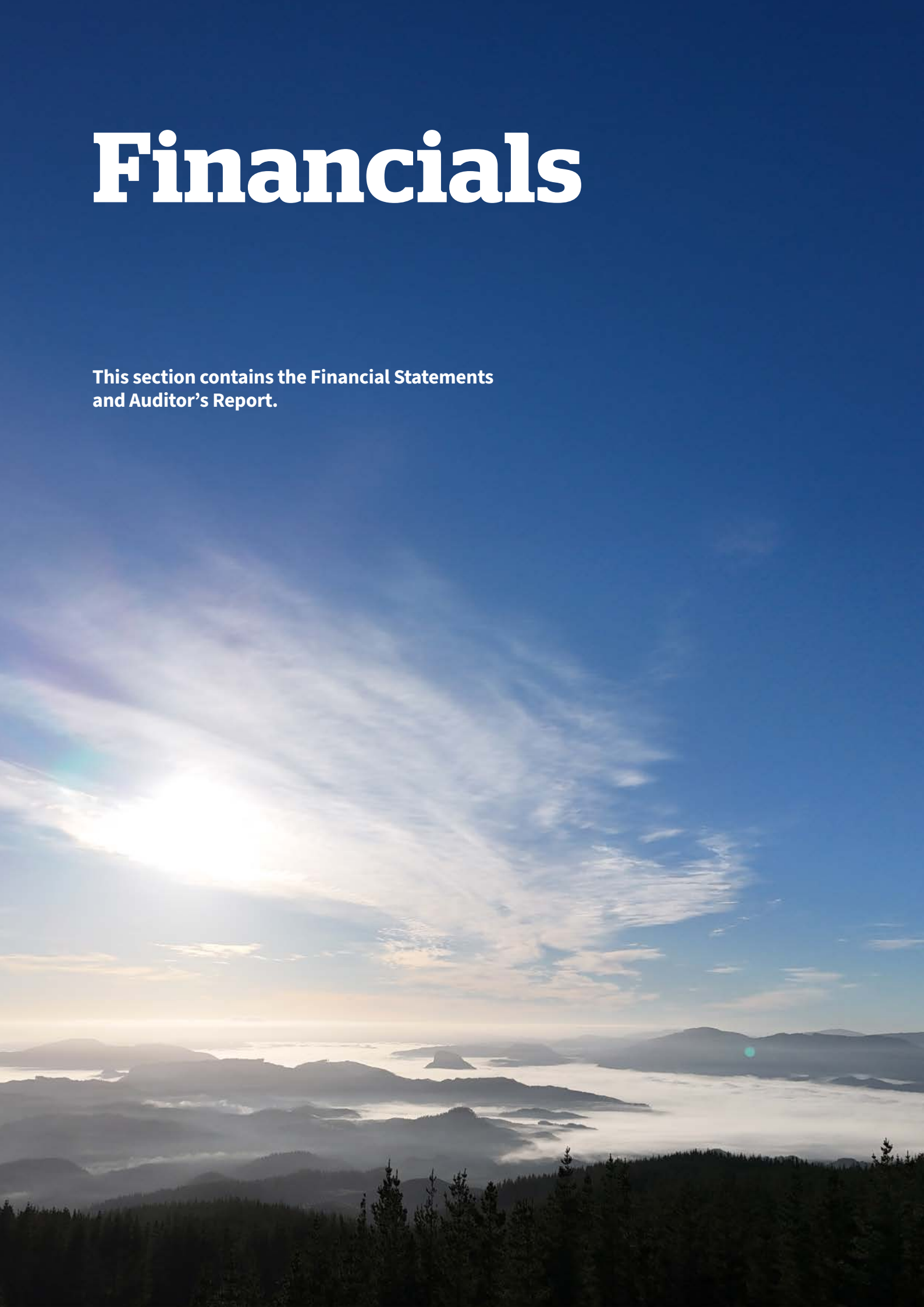
Improved tissue culture methods now support the future deployment of superior genetic material across New Zealand's 22,000-ha eucalyptus estate. This project saw the success rate of plant regeneration in *Eucalyptus nitens* increase from 10 percent to over 70 percent, with methods developed for *E. fastigata*. Genetic transformation methods identified three genes and eight separate genetic modifications in *E. nitens* that would produce enhanced resistance to insect defoliators and boost clonal performance. These advances provide a strong basis for precise gene editing and faster improvement of new varieties, beyond traditional breeding approaches.



↑ FGR's wind-damage research identified that a stand's wind vulnerability is highest immediately after thinning

Financials

This section contains the Financial Statements and Auditor's Report.



Statement of Financial Performance

For the year ended 31 December 2025

	For the year ended 31 December 2025 $	For the year ended 31 December 2024 $
Income		
Forest Growers Levy Trust Management Fee	1,835,569	1,843,358
Forest Growers Levy Trust Secretariat Fee	95,000	95,000
Interest	23,024	33,559
Occupancy & Staff Recovery	67,109	43,883
Subscriptions	314,394	251,905
Bulletin Contribution	20,000	0
ETS Judicial Review Contributions	3,021	96,947
Other income	6,001	9,765
Total Income	**2,364,118**	**2,374,416**
Less Expenditure		
Operating		
Salaries & Wages	1,906,781	1,872,129
Rent & Shared Occupancy Expenses	201,585	206,675
Professional Development & Resources	20,507	39,025
Phones & Internet	7,644	7,741
Stationery & Printing	14,065	15,337
General office expenses	1,972	3,237
Repairs & Computer Costs	47,569	48,028
Travel & Meeting Costs	150,932	169,530
Depreciation & Loss on Disposal	11,807	15,596
	2,362,862	**2,377,298**
NZFOA Activities – Activities Funded by Members and Third Parties		
Communication	52,445	28,613
AGM	10,665	8,809
Conferences & Workshops	5,661	7,913
Legal & Other Professional Advice	9,211	32,923
Audit Fees	7,733	8,362
ETS Judicial Review Costs	3,016	96,947
NZFOA Strategy Costs	0	27,875
Other	10,135	12,244
	98,866	**223,684**
Total Expenditure	**2,461,728**	**2,600,982**
Surplus/(Deficit) before Tax	**(97,610)**	**(226,566)**
Less Income tax on interest received	6,167	9,117
Net Surplus/(Deficit) after Tax	**(103,777)**	**(235,682)**
Comprising:		
Surplus/(Deficit) transferred to General Fund	(103,777)	(235,682)
	(103,777)	**(235,682)**

The notes to the Financial Statements form part of and are to be read in conjunction with these accounts.

Statement of Movements in Funds

for the year ended 31 December 2025

	For the year ended 31 December 2025 $	For the year ended 31 December 2024 $
General Fund		
Balance brought forward from previous year	967,682	1,203,364
Surplus/(Deficit) for the year	(103,777)	(235,682)
Balance carried forward	**863,905**	**967,682**

Statement of Financial Position

at 31 December 2025

	Note	As at 31 December 2025 $	As at 31 December 2024 $
Current Assets			
Cash & Cash Equivalents		971,447	818,378
Accrued Income		1,876	2,132
Income Tax Refund	4	3,916	434
Accounts Receivable & Prepayments		160,021	352,287
		1,137,260	**1,173,231**
Current Liabilities			
Accounts Payable & Funds held for Other Groups	6	288,546	189,860
Income Received in Advance		-	24
Lease Incentive Liability (current)		4,122	7,067
GST Payable		19,007	52,386
		311,675	**249,337**
Non-current Assets			
Fixed Assets	2	38,320	47,910
Non-current Liabilities			
Lease Incentive Liability		-	4,122
Net Assets		**863,905**	**967,682**
Association Funds			
General Fund		863,905	967,682
Total Funds		**863,905**	**967,682**

The notes to the Financial Statements form part of and are to be read in conjunction with these accounts.

Matthew Wakelin – President
16 March 2026

Dr Elizabeth Heeg – Chief Executive
16 March 2026

The NZ Forest Owners Association Incorporated Notes to the Financial Statements

for the year ended 31 December 2025

1. Statement of General Accounting Policies

Reporting Entity

NZ Forest Owners Association (NZFOA) is an incorporated society registered under the Incorporated Societies Act 1908.

These financial statements are special purpose financial statements and have been prepared in accordance with the Tax Administration (Financial Statements) Order 2014.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed in these financial statements.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Accounts Receivable

Accounts receivable are valued at expected realisable value.

Fixed Assets and Depreciation

Fixed assets are recorded at cost less accumulated depreciation. Furniture and office equipment have been depreciated on a diminishing value basis between 8.5% and 67%.

Taxation

NZFOA is a not-for-profit organisation for the purposes of the Income Tax Act 2007. It is consequently eligible for a standard expense deduction of $1,000 off the interest income earned during the year, before tax is calculated.

Goods and Services Tax

These statements are prepared on a GST exclusive basis except for accounts receivable and payable which are inclusive of GST.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Subscriptions from members are recognised in the year to which the fees relate.

Interest revenue is recognised as it accrues, using the effective interest method.

ETS Judicial Review – Income and Expenditure

Four organisations, of which NZFOA is one, joined together during the 2024 financial year to initiate a judicial review in relation to the MPI imposed cost structure for the operation of the ETS register. ETS registered members of NZFOA were asked to contribute to cover the costs. Their contributions are shown as Income and the NZFOA 25% share of the legal fees are shown as an Expense. This work concluded during 2025.

Cash & Cash Equivalents

Cash and cash equivalents include the current account, savings account with our bank and term deposits of up to 90-day duration.

Forest Growers Research Limited

NZ Forest Owners Association Inc acts as trustee of 100% of the issued shares in Forest Growers Research Ltd. The Association's investment in Forest Growers Research Ltd is held at its cost of $nil (2024: $nil). The results and financial position of Forest Growers Research Ltd have not been included in these special purpose financial statements.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied consistently to all periods presented in these financial statements.

2. Fixed Assets

31.12.2025	At Cost	Accumulated Depreciation	Current Year Depreciation	Book Value Year End
Furniture & Equipment	$100,714	$62,394	$11,587	$38,320

Included in the Cost were assets purchased of $2,217 during the year, no disposals.

31.12.2024	At Cost	Accumulated Depreciation	Current Year Depreciation	Book Value Year End
Furniture & Equipment	$105,571	$57,661	$15,258	$47,910

Included in the Cost were assets purchased of $30,605 during the year, no disposals.

3. Lease Incentive

There is a new lease agreement in place for three years from 1 August 2023. Two months' free rent was offered upon signing the agreement, which is amortised over the term of the lease.

4. Income Tax

	31.12.2025 $	31.12.2024 $
Interest Income	23,024	33,559
Less Exemption	(1,000)	(1,000)
Taxable Income	**22,024**	**32,559**
Tax at Current Tax Rates	6,166	9,117
Prior year Tax Due/(Refund)	(434)	9,097
Less:		
Tax Refunded/(Paid)	0	(9,097)
Provisional & Withholding Tax (Paid)	(9,648)	(9,551)
Tax Payable/(Refund Due)	**(3,916)**	**(434)**

5. Contingent Liabilities

There are no known contingent liabilities (31 December 2024: Nil).

6. Accounts Payable & Accrued Expenses

	31.12.2025 S	31.12.2024 $
Accounts Payable	119,584	32,578
Accrued Expenses	114,340	101,153
Wages Deductions Payable	54,622	56,129
	288,546	**189,860**

7. Commitments (GST exclusive amounts)

31.12.2025 Operating Commitments	< 1 year	> 1 year	Total
Rent – 93 The Terrace	$74,200	$0	**$74,200**
Rent – Rotorua Branch	$54,690	$0	**$54,690**
Photocopier	$5,716	$476	**$6,192**

31.12.2024 Operating Commitments	< 1 year	> 1 year	Total
Rent – 93 The Terrace	$127,200	$74,200	**$201,400**
Rent – Rotorua Branch	$53,040	$0	**$53,040**
Photocopier	$5,716	$6,192	**$11,908**

Capital Commitments: There were no known capital commitments at balance date (31 December 2024: Nil).

8. Credit Facilities

At balance date NZFOA had available for its use BNZ Visa business cards. The limit on this facility was $40,000 (2024: $40,000). This was not fully utilised at balance date.

9. Associated Person Transactions

Most members of the Dothistroma Control Committee are members of NZFOA. The activity of the Committee is not included in these financial statements. The net effect on the financial position of NZFOA is Nil.

During the year NZFOA loaned funds to Dothistroma Control Committee totalling $550,000 (2024: $540,000) all of which had been repaid by the balance date. Interest of $11,229 (2024: $10,235) was paid on the loans. NZFOA staff is provided at a cost of $5,000 (2024: $5,000) to support Dothistroma with office management and accounting services, with $4,313 (2024: $4,313) outstanding as accounts receivable at year end.

NZFOA manages the Work Programme approved by the Forest Growers Levy Trust (FGLT) Board incurring expenditure of $280,650 (2024: $155,910) on behalf of FGLT. All expenditure incurred has been repaid by FGLT except for the amount of $71,095 (2024: $13,945) outstanding as accounts receivable at year end.

NZFOA charged FGLT a secretariat fee of $95,000 (2024: $95,000) and a management fee of $1,835,569 (2024: $1,843,358) during the year under the Levy Services Agreement. All amounts have been paid by FGLT except for the combined amount of $54,046 (2024: $237,791) outstanding as accounts receivable at year end.

NZFOA and Forest Industry Safety Council Trust (FISC) have members of key management personnel in common. FISC manages the Health & Safety section of the Work Programme approved by FGLT. During the year FISC received no funding from NZFOA.

NZFOA staff is provided at a cost of $5,000 (2024: $5,000) to support FISC with office management and accounting services, with $2,875 (2024: $2,875) outstanding as accounts receivable at year end.

In November 2017 FISC relocated its offices to Level 9, 93 The Terrace where NZFOA is the main tenant. During 2025 NZFOA charged FISC for rent and related occupancy expenses totalling $20,776 (2024: $21,275) in cost recovery. All expenditure incurred has been repaid by FISC except for the amount of $1,748 (2024: $1,986) outstanding as accounts receivable at year end.

NZFOA and Forest Growers Research Limited (FGR) have members of key management personnel in common. FGR manages the research section of the Work Programme approved by FGLT. During the year FGR received no funding from NZFOA.

The Executive Council is made up of management employees from a few forest owning organisations; those organisations also pay a subscription to NZFOA charged at a flat fee of $0.25/ha. In addition, there were voluntary contributions from members, some with management employees on the Executive Council, towards judicial review invoices challenging the ETS costs charged for running the scheme.

10. Events Subsequent to Balance Date

There were no events that have occurred after balance date that would have a material impact on the Financial Statements. We can confirm, NZFOA was reregistered under the new Incorporated Societies Act 2022 on 11 February 2026, before the deadline of 6 April 2026.

Audit report

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INDEPENDENT AUDITOR'S REPORT

To the National Executive Council of New Zealand Forest Owners Association Incorporated

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements (financial statements) of New Zealand Forest Owners Association Incorporated ('the Association') on pages 1 to 6, which comprise the statement of financial position as at 31 December 2025, and the statement of financial performance and statement of movements in funds for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the reporting requirements of the Tax Administration (Financial Statements) Order 2014.

Our report is made solely to the National Executive Council of the Association. Our audit work has been undertaken so that we might state to the National Executive Council of the Association those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the National Executive Council of the Association as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with Professional and Ethical Standard 1 (Revised) *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor, we have no interests in or relationship with the Association. Another firm in our network provides taxation compliance services for the Association. Provision of these other services has not impaired our independence.

Emphasis of Matter – Special purpose accounting framework: restricted use and distribution

We draw attention to the statement of general accounting policies in the financial statements, which describes the basis of accounting. The financial statements are prepared for tax compliance purposes in accordance with a special purpose framework (the Tax Administration (Financial Statements) Order 2014). As a result, the financial statements may not be suitable for another purpose, and our report should not be distributed to parties other than the Association or the National Executive Council. Our opinion is not modified in respect of this matter.

Responsibilities of the National Executive Council for the Financial Statements

The National Executive Council is responsible on behalf of the Association for the preparation of the financial statements in accordance with the Tax Administration (Financial Statements) Order 2014, and for such internal control as the National Executive Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the National Executive Council is responsible on behalf of the Association for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the National Executive Council either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Executive council's website at:

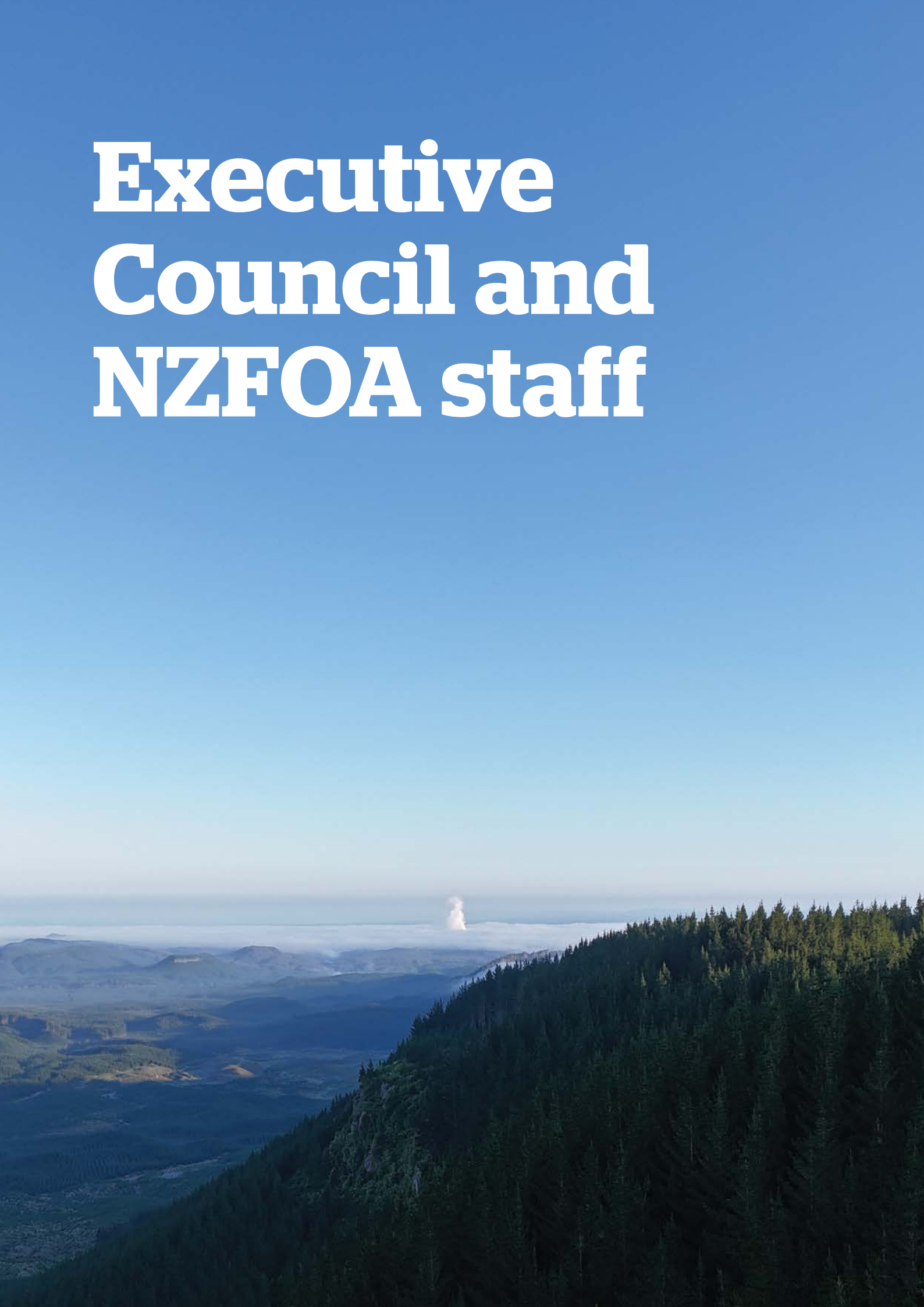
https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-s1/

BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Baker Tilly Staples Rodway

Wellington, New Zealand
16 March 2026

Executive Council and NZFOA staff



Matthew Wakelin
New Forests
President

Dean Witehira
Kaingaroa Tipu
Vice President

Bert Hughes
Forest Enterprises

Chris Barnes
Manulife

Darren Mann
Ernslaw One

Grant Dodson
City Forests

Jason Syme
Rayonier Matariki

Kate Rankin
Wenita Forest Products

Marcus Musson
Forest 360

Phil Taylor
Port Blakely

Sean McBride
Juken New Zealand

Tim Sandall
Pan Pac
to March 2025

Siobhan Allen
M&R Forestland Management

Dr Elizabeth Heeg
Chief Executive

Joseph Brolly
Chief Operating Officer

Brendan Gould
Director Biosecurity
and Risk

Rachel Millar
Environment Manager

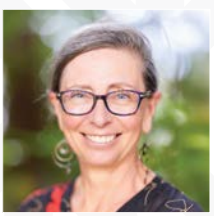
Emily Pope
Communications Manager

Sarah Walker
Communications Advisor
to March 2025

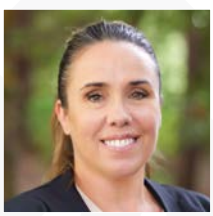
Jeff Drinkwater
Accountant

Rosemary McFadyen
Office Manager

Paul Adams
R&D Manager



Alison Slade
Innovation Manager



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