



Forests Act 1949: Quarterly Report of Swamp Kauri Activity

1 April 2016 – 30 June 2016

Swamp kauri, which is also known as ancient kauri, is kauri timber that has been buried and preserved in what used to be swamps for anywhere between 800 and 60,000 years. The Ministry for Primary Industries (MPI) is responsible for implementing and enforcing the Forests Act 1949 (the Act). Under the Act, MPI regulates the milling and export of swamp kauri. More information on the management of swamp kauri can be found at:

<http://www.mpi.govt.nz/exporting/forest-products/wood-and-wood-products/swamp-kauri>

This report summarises MPI's milling and export regulatory activities in the second quarter of 2016 (1 April 2016 – 30 June 2016). It also presents summary information on historic swamp kauri activities. The report shows for the second quarter of 2016:

- All sites where extraction has been completed have been inspected;
- Export activity was up 68% on the previous quarter, but was down 81% on the average export activity for the same period over the previous three years. Twelve exports totalling 175.7 cubic metres of swamp kauri timber have been approved; and
- Ten new milling statements were issued, allowing for the milling of 1,504 cubic metres of swamp kauri timber.



Milling Controls

Indigenous timber, including swamp kauri, can only be milled by sawmills registered with MPI. MPI regularly inspects registered sawmills, and sawmills are required to report their milling activity every quarter. All swamp kauri must also have an approved 'Milling Statement' from MPI before it can be milled at a registered sawmill. Milling statements verify the timber as having originated from an approved source under the Forests Act.

Milling statements are only issued under specific circumstances; the applicant must demonstrate that the swamp kauri will be salvaged from either:

- land that is not indigenous forest land; or
- indigenous forest land, and that the natural values of that land will be maintained when the swamp kauri is extracted.

Details of new milling statements approved in this quarter are presented in Table 1:

Table 1: Milling statements issued 1 April 2016 – 30 June 2016

Milling Statement #	Timber Source	Region	Approved Volume
7-00-02512	Non-indigenous forest land	Northland	55 m ³
7-00-02514	Non-indigenous forest land	Northland	10m ³
7-00-02515	Non-indigenous forest land	Northland	150 m ³
7-00-02519	Non-indigenous forest land	Northland	225 m ³
7-00-02529	Non-indigenous forest land	Northland	100 m ³
7-00-02538	Non-indigenous forest land	Northland	117m ³
7-00-02539	Non-indigenous forest land	Northland	33 m ³
7-00-02540	Non-indigenous forest land	Northland	200 m ³
7-01-02498	Non-indigenous forest land	Auckland	200 m ³
7-01-02506 ¹	Non-indigenous forest land	Auckland	414 m ³
			1,504 m³

¹: This replaces 7-01-02109 (expired), but is not a renewal as some information has changed. In particular, the volume estimate has been reduced.

The total approved volume will not necessarily reflect the total volume of swamp kauri extracted in the quarter. If someone extracts swamp kauri with no intention to mill the timber, then they do not need to apply for a milling statement.

Milling statements are issued for a term of six months to a year. If not all of the approved timber is milled before the expiry date, operators can apply to have a milling statement re-

issued. With re-issued milling statements, the volumes approved for milling do not reflect additional timber being extracted. The approved volume reflects what MPI assesses is the unmilled volume remaining from the original milling statement. These assessments are based on measuring the remaining timber during sawmill inspections, and tallying data from sawmill returns. No milling statements were re-issued in this quarter.

In addition to this, of the 10 milling statements approved this quarter:

- 6 were inspected prior to extraction (three of the four milling statements not inspected this quarter had extraction activities start pre- September 2015; two of these were for timber from Takanini, Auckland. The fourth had a resource consent from, and was inspected by, Northland Regional Council);
- 8 were inspected mid- extraction; and
- All were inspected post- extraction.

Export Controls

Swamp kauri can only be exported as a finished product or, if it isn't from indigenous forest land, as whole or sawn stump or roots. Indigenous timber export controls are set out in Section 67C of the Forests Act.

Export approval from MPI is required before exporting whole or sawn swamp kauri stump or roots, and all such exports must be visually inspected as part of that process. Such exports are not cleared by the New Zealand Customs Service (Customs) without the appropriate, completed documentation from MPI.

Under the Act, exporters of finished or manufactured products are not required to provide MPI notice of their intention to export. However, exporters voluntarily notify MPI on a regular basis to confirm that exports comply with the Forests Act. When notified, Forestry Officers undertake visual inspections to determine if the export meets the definition of a finished product.

In addition, export inspections are also conducted by Forestry Officers from time to time as part of regulatory oversight of the sector. This commonly occurs when MPI receives intelligence suggesting export activities that MPI has not been notified of, or in situations where the New Zealand Customs Service queries the validity of an export.

Not all swamp kauri timber extracted is exported. On average, a larger proportion is sold into the domestic market or held as inventory for future processing.

Table 3: Notified swamp kauri export consignments for 1 April 2016 – 30 June 2016

Destination	No. of Exports Approved	No. Inspected	Volume Exported
China	5	5	113.4 m ³
Holland	1	1	1.2 m ³
India	1	1	3 m ³
Italy	2	2	10.4 m ³
South Korea	1	1	0.7 m ³
Taiwan	2	2	47 m ³
Totals	12	12	175.7 m³

Site Inspections

Responsibility for managing swamp kauri extraction rests with councils under the Resource Management Act. However, applicants must provide evidence of the timber's source when applying for a milling statement or export approval.

Since September 2015, improvements to the Ministry's regulation of the swamp kauri industry have included increased oversight of extraction sites. This supports assessments of the source of swamp kauri timber. All notified sites are now inspected before and after extraction activities. Pre-extraction site inspections allow for a clear assessment of the land's classification (whether it is indigenous forest land or not) with respect to the Act. Mid-extraction and post-extraction site visits focus on assessing the volume of timber extracted, and confirming activities are limited to the land area classified during the pre-extraction site inspection.

A breakdown of inspections undertaken this quarter is provided below.

Table 4: Inspections of notified swamp kauri extraction sites, 1 April 2016 – 30 June 2016.

Total Sites	11
Total Inspections	21
Pre-extraction	4*
Mid-extraction	6
Post-extraction	11

* Seven of the sites active this quarter had pre-extraction inspections conducted prior to this quarter

Summary of Annual Swamp Kauri Activity:

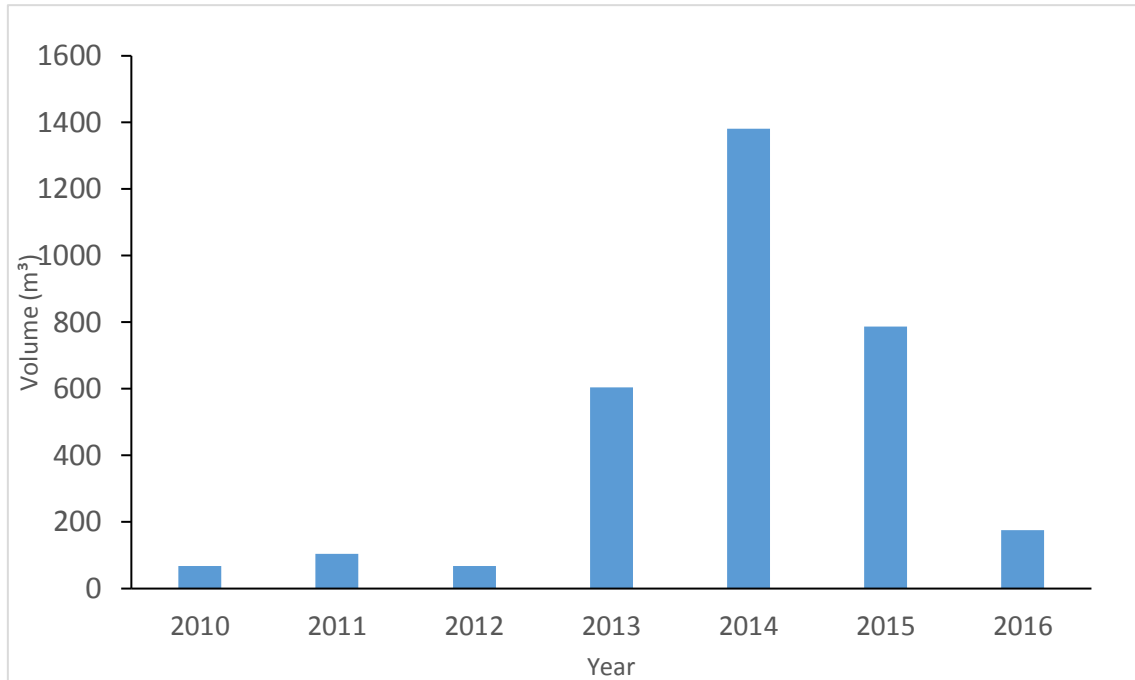


Figure 1: Swamp kauri export volumes for Quarter 2 (1 April – 30 June), 2010 – 2016.

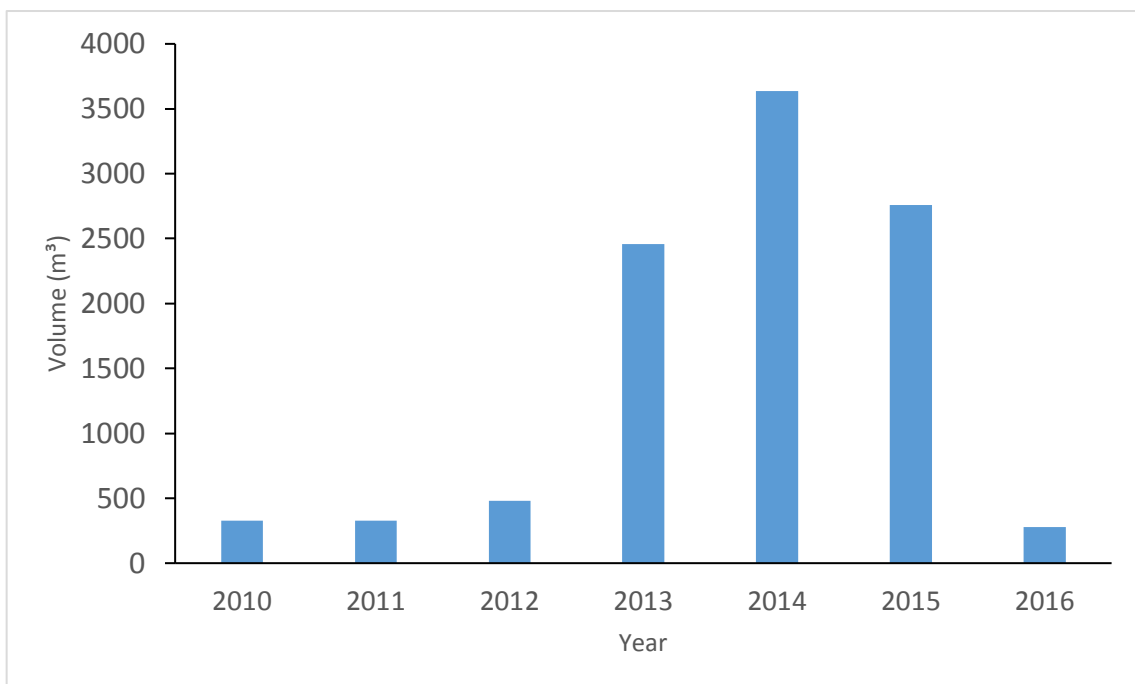


Figure 2: Annual swamp kauri export volumes, 2010 – 2016 (2016 data is to 30th June).

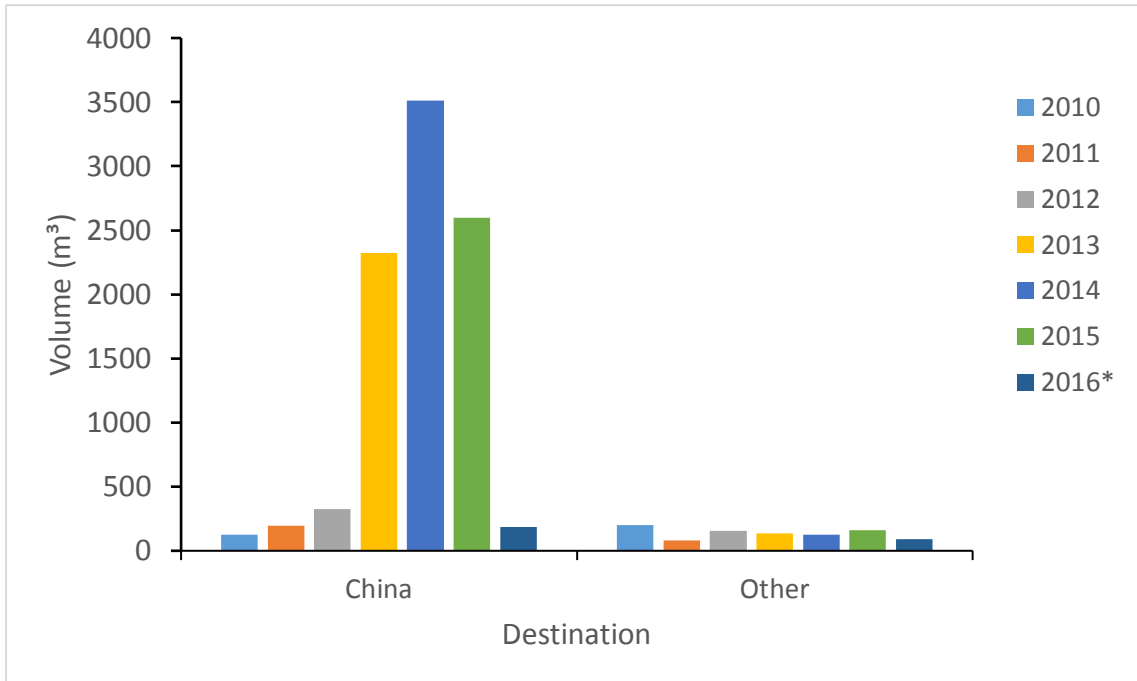


Figure 3: Annual swamp kauri export destinations, 2010 – 2016: China v Rest of World (*2016 data is to 30th June).

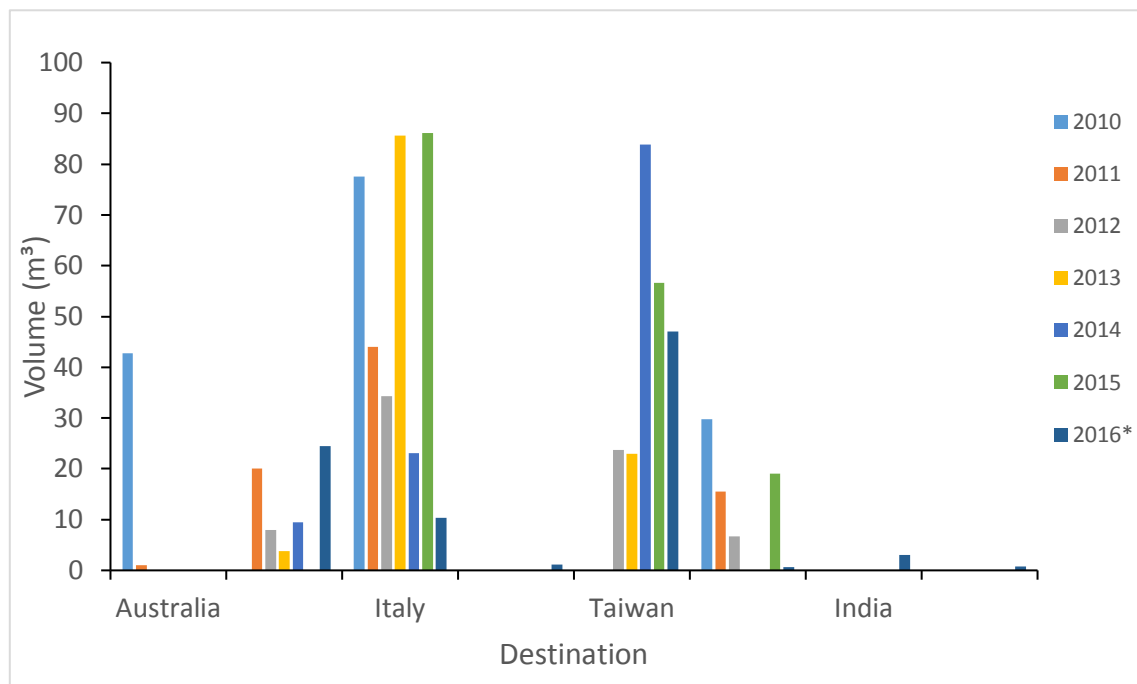


Figure 4: Annual swamp kauri export destinations, 2010 – 2016: Excluding China (*2016 data is to 30th June).

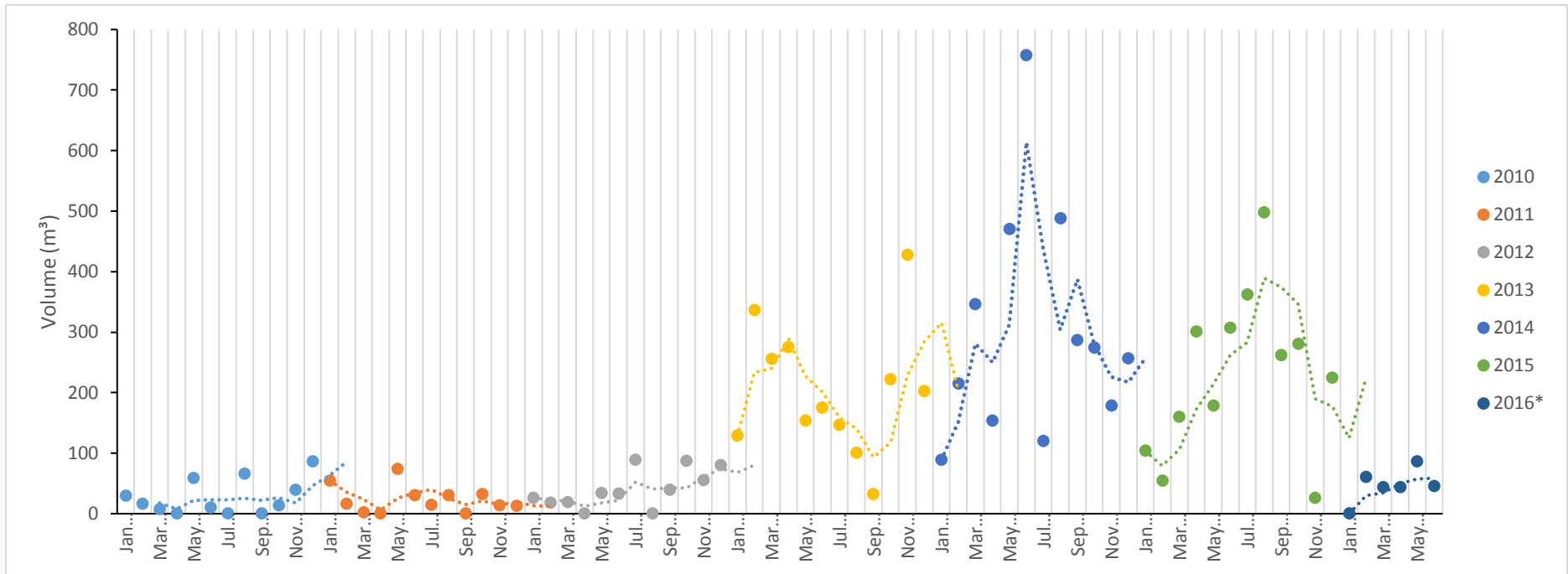


Figure 5: Monthly swamp kauri export volumes, 2010 – 2016 (Trend: three point moving average; 2016 data is to 30th June).