



Quarterly report of swamp kauri activity

1 July 2016 – 30 September 2016

Swamp kauri, 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 regulating the milling and export of swamp kauri under the Forests Act 1949 (“the Act”). 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 swamp kauri milling and export regulatory activities in the third quarter of 2016 (1 July 2016 – 30 September 2016). It also presents summary information on historic swamp kauri activities. The report shows for the third quarter of 2016:

- All sites where extraction has been completed have been inspected.
- Export activity was up 75% on the previous quarter, but down 60% on the average export activity for the same period over the previous three years. Nine exports totalling 307.9 cubic metres of swamp kauri timber have been approved.
- Six new milling statements allowing for the milling of a total of 149.1 cubic metres of swamp kauri timber were issued, and three milling statements totalling 710 cubic metres were re-issued (having previously expired in whole or part without use).



Milling controls

All indigenous timber - including swamp kauri - can only be milled by sawmills registered with MPI. MPI regularly inspects registered sawmills which 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 a source approved under the Forests Act.

Milling statements are only issued under specific circumstances and the applicant must be able to demonstrate that the swamp kauri comes 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.

Table 1: Milling statements issued 1 July 2016 – 30 September 2016

Milling statement #	Timber source	Region	volume
7-00-02553	Non-indigenous forest land	Northland	13 m ³
7-00-02563	Non-indigenous forest land	Auckland	1.5 m ³
7-00-02574 ¹	Non-indigenous forest land	Northland	20 m ³
7-00-02575 ²	Non-indigenous forest land	Northland	360 m ³
7-00-02576 ³	Non-indigenous forest land	Northland	330 m ³
7-00-02579	Non-indigenous forest land	Northland	9.2 m ³
7-00-02580	Non-indigenous forest land	Northland	100 m ³
7-00-02583	Non-indigenous forest land	Northland	7.4 m ³
7-02-02567	Non-indigenous forest land	Waikato	18 m ³
			859.1 m³

¹. This replaces 7-00-02366 which expired, but is not a renewal as some information has changed. In particular, the volume estimate has been reduced.

². This is a renewal of 7-00-02493 which expired.

³. This is a renewal of 7-00-02459 which expired.

It is important to note that 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, 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 volume is milled before the expiry date, operators can apply for a new milling statement for the un-milled

volume. These assessments are based on measuring the remaining timber during sawmill inspections, and tallying data from sawmill returns.

Site inspections

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

Since September 2015, improvements to MPI regulation of the swamp kauri industry have included increased oversight of extraction sites to support assessments of the source of swamp kauri timber. All notified sites are now inspected before and after extraction activities. Before extraction takes place, 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. During and after extraction, site visits focus on assessing the volume of timber extracted, and confirming activities have been limited to the land area classified during the pre-extraction site inspection.

A breakdown of inspections undertaken this quarter is provided below.

Table 2: Inspections of notified swamp kauri extraction sites, 1 July – 30 September 2016.

Total Sites	5
Total Inspections	9
Pre-extraction	0*
Mid-extraction	6
Post-extraction	3

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

Export controls

Swamp kauri can only be exported as either a finished product or, if it isn't from indigenous forest land, as whole or sawn stumps or roots. Indigenous timber export controls are set out in Section 67C of the 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. 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, most exporters voluntarily notify MPI prior to export to confirm the exports comply with the Act. In all instances of being notified, Forestry Officers undertake visual inspections to determine if the export meets the definition of a finished product.

Additional export inspections are conducted by MPI Forestry Officers when MPI receives intelligence suggesting exports have not been notified, or in situations where the New Zealand Customs Service queries the validity of an export.

Not all swamp kauri timber extracted is exported soon after. 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 July 2016 – 30 September 2016

Destination	Number of exports approved	Number inspected	Volume exported
China	1	1	1.5 m ³
Germany	1	1	3.9 m ³
Italy	3	3	10.5 m ³
Netherlands	1	1	1.0 m ³
Taiwan	2	2	290.0 m ³
USA	1	1	1.0 m ³
Totals	9	9	307.9 m³

Summary of swamp kauri activity

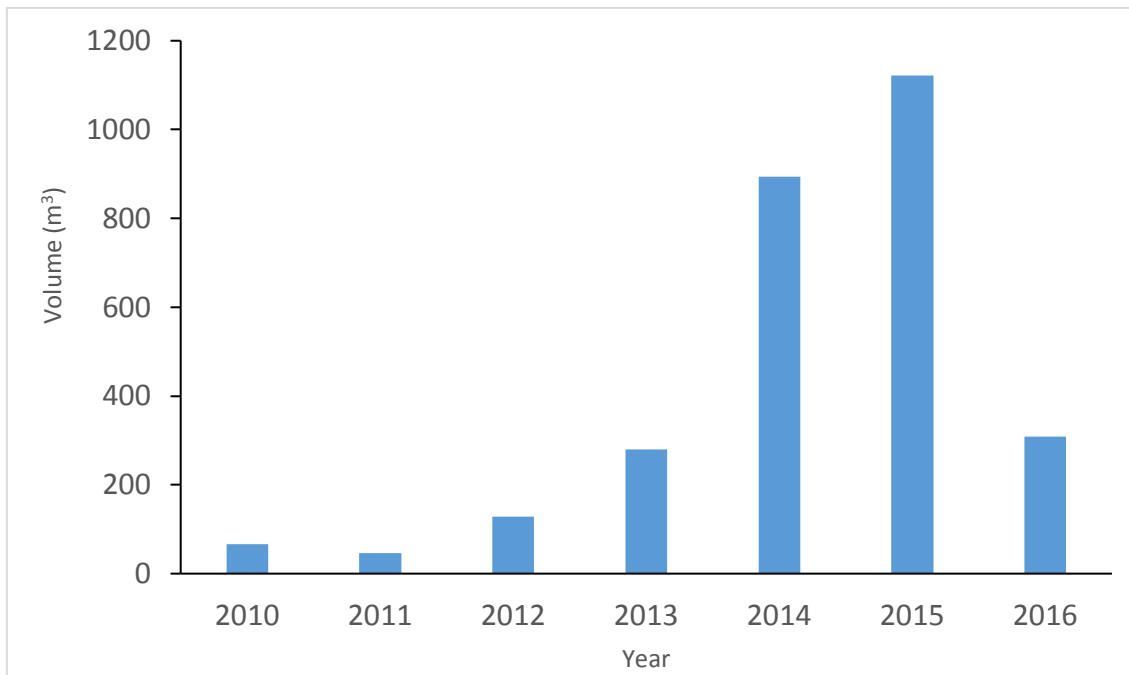


Figure 1: Swamp kauri export volumes for Quarter 3 (1 July – 30 September), 2010 – 2016.

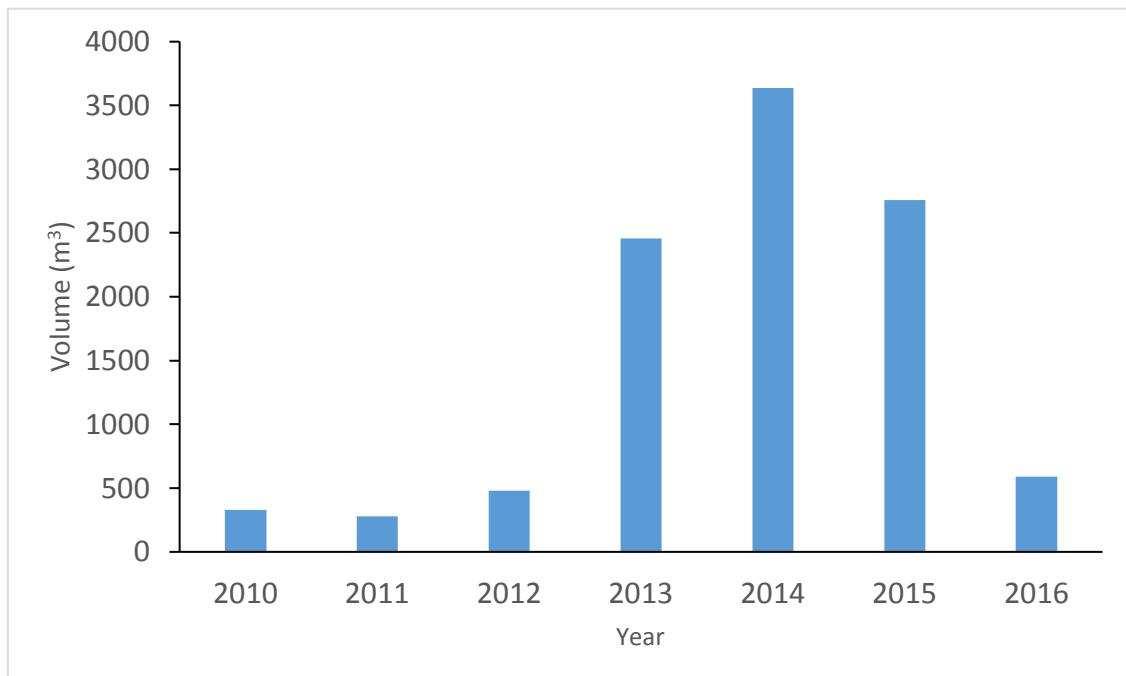


Figure 2: Annual swamp kauri export volumes, 2010 – 2016 (2016 data is to 30 September).

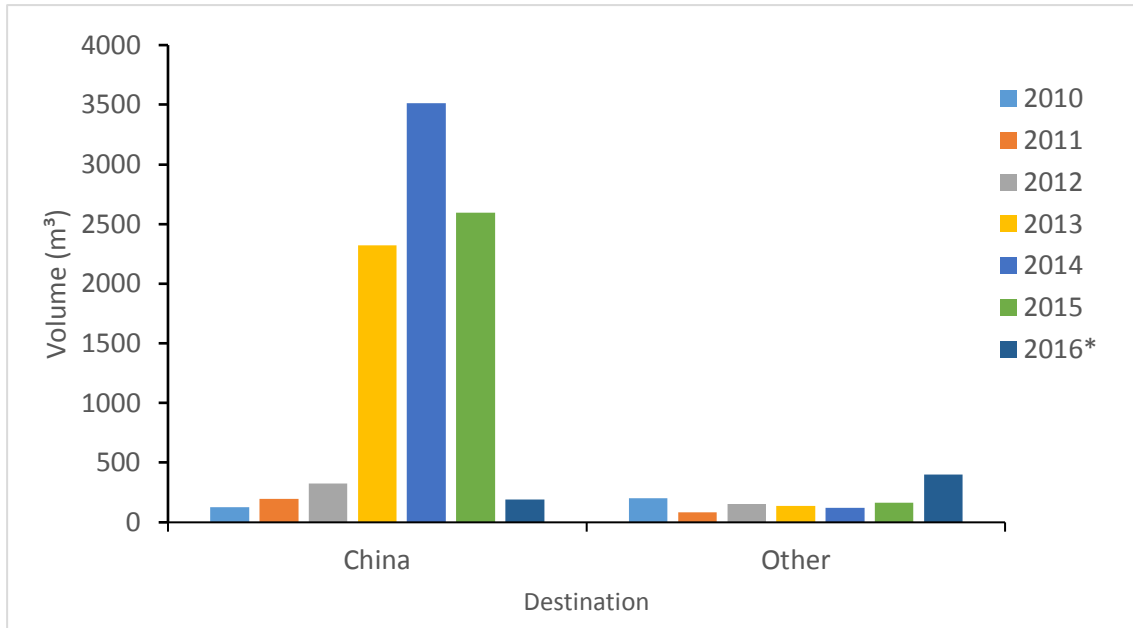


Figure 3: Annual swamp kauri export destinations, 2010 – 2016: China, and Rest of World (*2016 data is to 30 September).

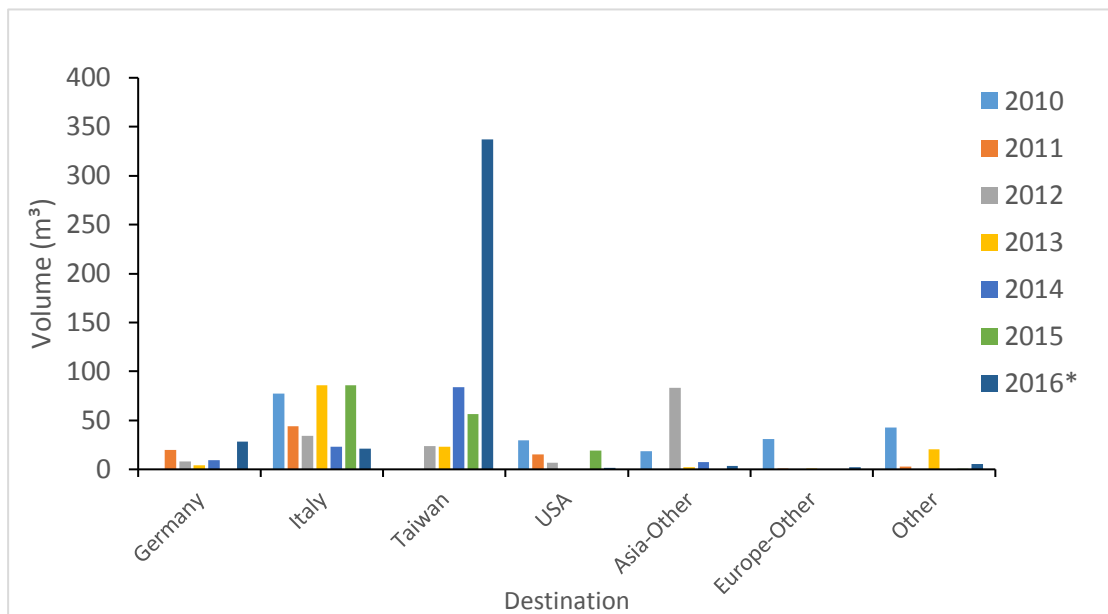


Figure 4: Annual swamp kauri export destinations, 2010 – 2016: excluding China (*2016 data is to 30 September).

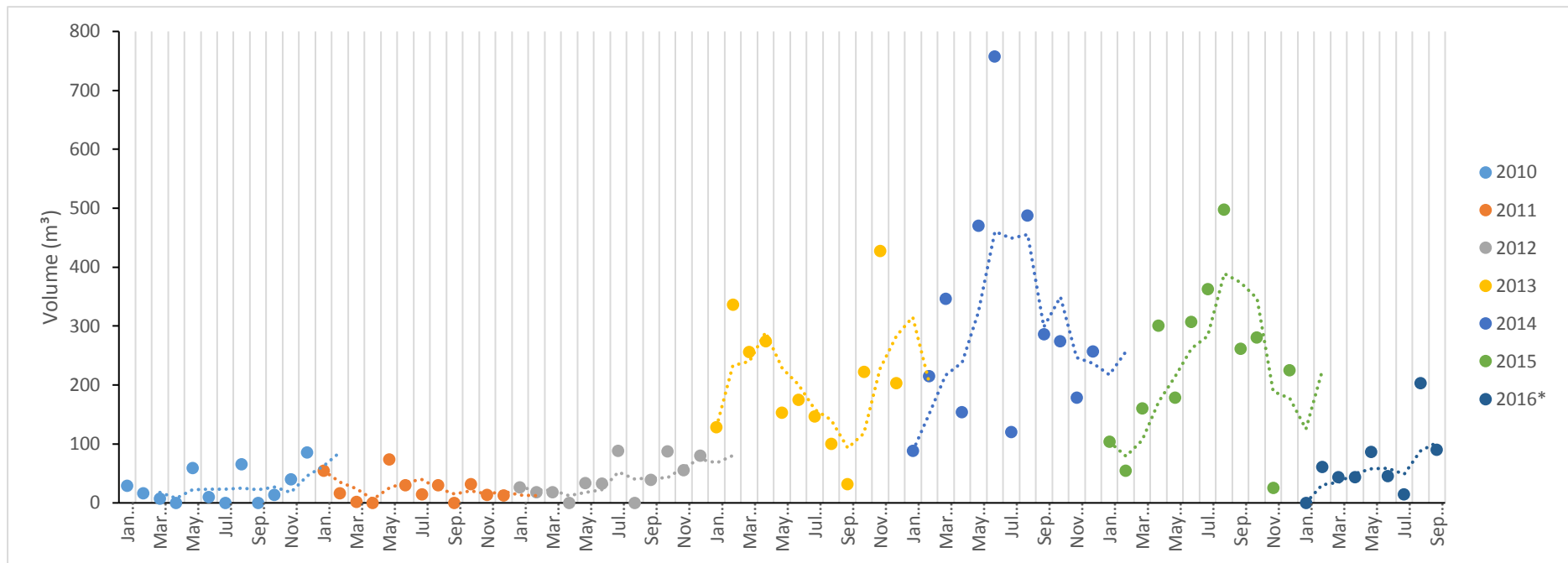


Figure 5: Monthly swamp kauri export volumes, 2010 – 2016 (trend: three point moving average; 2016 data is to 30 September).