



IWI LAND USE

Iwi have strong aspirations for their members. Turning aspirations into results requires astute management of available resources.

The Treaty settlement process has been a start. However, taking the total settlement amount and dividing it by the Maori population, the settlement process has only delivered just under \$1,500 per person. The challenge is to think beyond settlements to activities which will become the mainstay of iwi wealth and employment creation.

Beyond people, the greatest iwi asset is land. Land both defines who we are and provides for us. Land use decisions need to be made with the greatest of care.

Across New Zealand, farm consultants are available to discuss farming options for land that is fertile and easily accessed, what about land that is not suited to farming?

In the past pine plantation forestry has been the only real option for land not suited to farming. Forest right lease agreements have been entered into at rates in the region of \$50-150 per hectare per annum, contracted for periods up to 25-35 years. It is generally agreed across iwi that these agreements have been poor use of land. Iwi have been stuck in low yielding activity over long periods of time, generally not sharing in any upside at times of high log prices.

Now, iwi have more options for land not suited to farming. These options include:

- Manuka and Kanuka, which are quicker maturing plantations than pines. Early indications are that they provide better returns and employment prospects
- Native trees, planted to regenerate indigenous forest earn carbon credits. As carbon credits grow with the growth of the forest the cost of planting can be covered and an annual income generated
- Short rotation exotic trees, making best use of emerging species that support the packaging and energy industries, but provide faster cash cycles for growers and landlords
- Long rotation exotic pine, by negotiating shared ownership of the trees in lieu of all or part of any lease payments it is possible

to share in the upside if log prices are favourable

There are a great many parties you could be talking to across these forest options. How can you be sure you are talking to the right party, to get the best deal, a deal that maximises wealth and employment creation?

ForestX is a trading platform that allows you to list your land as available for establishing Manuka, native trees and/or exotic plantations, to ensure all parties are aware of its availability. Use your listing on ForestX to draw in the full range of possible proposals so that you can decide on the best fit for your future.

www.forestx.com

New Zealand's electronic forest market is a common, easily accessed place for establishing, buying and selling forests. It provides transparency in terms of the range of lots that are available and how a transaction for any one lot can take place.

Parties wishing to partner together in establishing forests of all kinds can make contact with one another and start the process of finding a mutually beneficial route forward. Parties offering land for planting can be confident that they are reaching a wide range of domestic and overseas hive operators, carbon investors and foresters. All parties can be confident that the rules by which contacts are received and processed are clear and fair.

About us

The market is operated by Commodity Markets (NZ) Ltd. As an electronic market, it is a platform for initiating considered transactions. The principals are John Stephens and Kim von Lanthen. John is an information technology specialist in the financial services industry. As a former corporate trustee, Kim has been licensed by the Financial Markets Authority as statutory supervisor of over 150 forest partnerships.

In registering, offering parties including sellers undertake to meet fees on the successful consummation of a transaction. Fees are as follows:

- 0.4 percent for transactions
- 0.4 percent if the technical services provided by Scion in support of listings have been used in the listing

a maximum of 0.8 percent.

The market is for the benefit of participants. Commodity Markets (NZ) Ltd warmly invites your feedback on how the market can be refined so that it better meets your needs.

Help is at hand

If you need assistance, please email us at help@forestx.com or call us during New Zealand business hours on +64 4 390 1700. We will be pleased to assist you.