## **Hancock Forest Views**



A Manulife Investment Management Company

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Hancock Forest Management (NZ) Ltd Stakeholder Newsletter

Kia ora and welcome to the 22nd edition of Hancock Forest Views, a newsletter prepared by Hancock Forest Management New Zealand Limited (HFM NZ) to keep our stakeholders informed of what is happening in our forests. We hope you find the newsletter interesting and welcome your feedback.

## End of an era for HFM NZ

2020 will be a year remembered for many reasons, but for HFM NZ it marked a major milestone with retirement of our founding General Manager Bill McCallum.

The New Zealand arm of Hancock Forest Management came about with the investment by Hancock Natural Resource Group investors in the Tiaki Forests in 2004 and Bill was involved from day one. The Tiaki Forests were formerly owned by Fletcher Challenge Forests and subsequently Kiwi Forests. As a manager of the forests through both transitions, Bill was well placed to help set up a proposal for Hancock Natural Resource Group to form HFM NZ to manage the forests. The proposal was accepted by the investors and HFM NZ was born.

Bill has become a leading figure in the NZ Forest Industry over many decades, but those who have met him will detect a strongly lingering Canadian accent. It turns out the move to New Zealand was not part of Bill's master plan. Bill relays that a chance meeting with some Kiwis in Canada led to the decision to come to NZ in 1972 for one year, to complete the first year of a Forestry Degree and then return to Canada to finish the degree.

One year became four, completing the full degree at Canterbury and then Bill bought his return ticket to Canada with a stop off in Fiji for a short stint with the Fiji Pine Commission. In Fiji another chance meeting with a Kiwi led to the decision to return to NZ to take up a job with JG Groome and Associates.



Eight years with Groomes, was followed by an MBA at Otago, a long stint with Tasman Forestry Ltd and subsequently Fletcher Challenge Forests, along with marriage to wife Prue and the arrival of their three children, and it is fair to say Bill had firmly put his roots down in NZ!

Over Bill's near five decades involvement in the NZ Forest Industry he has seen many changes. He is particularly proud of the changes he has seen in relation to Health and Safety and stewardship of the environment. He recalls practices of the past and just how far we have come in that time.



As both the senior manager of HFM NZ and as President of the NZ Forest Owner's Association, Bill undoubtedly had a leading role in that change, in particular health and safety and the strategic move to mechanise the high risk tasks in our industry.

Bill's strong affinity with Hancock Natural Resource Group is also very clear, noting particularly our company ethics and values, collaborative teamwork and focus on doing the right thing for people and the environment.

Bill is enjoying his retirement with a number of fishing, hiking and biking expeditions already under his belt, along with spending time with family including a newly arrived first granddaughter!

HFM NZ would like to acknowledge the huge contribution Bill has made to our company and wishes him all the best in his retirement!



## Adventure racing through HFM NZ Forests

In early March, elite athletes descended on Rotorua to compete in the GODzone adventure race. GODzone is regarded as the most technically challenging adventure race in the world. It is an endurance event where teams of four travel through remote areas on bike, on foot and with pack rafts and kayaks.

One of the unique things about the race is that the course details remain secret until a few hours before the start, so good route choice and navigation are key to success.

The 2021 event traversed the Central North Island, with competitors passing through multiple HFM NZ managed forests. Teams hiked through Tarawera Forest, biked past Mangawhio, Ngamotu, Rangitaiki and Rotoiti forests, and rode through Kinleith, before transitioning to pack rafts on Lake Ohakuri.

Teams are permitted up to eight and a half days to complete the 666km course. The winning team, finished in four days, 23 hours and 25min!

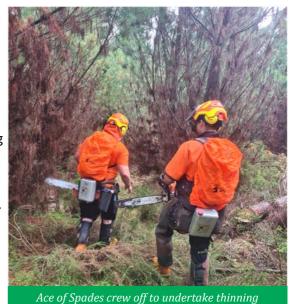


## Ace of Spades—forestry crew of the future

'Ace of Spades' is a silvicultural forestry crew that work for HFM NZ clients in our OTPP NZ and Taumata Estates in the Central North Island. What sets the crew apart is their somewhat novel approach to business ownership, with the owners of the business making up the bulk of the crew.

Ace of Spades was formed in November 2019 when the crew's previous employer wanted to get out of silvicultural work. Founding members Cain McKenzie, Ben White, Patrick Kiel Bidois, Alex Buckley and Damon Morgan decided to take the plunge and set up their own crew and take on the work. They all play rugby together and had a great working relationship so owning a business together seemed a logical solution.

Patrick Kiel Bidois has since moved onto other work leaving an opportunity for Kyle Patterson to join the company as a partner. Semisi Paea, Anaru Ihaia and Patrick Aislabie round out the eight man crew.



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Ace of Spades: Anaru, Alex, Ben, Semisi, Kyle, Cain. Damon and Patrick (not pictured) make up the crew.

Cain McKenzie believes that the key to their success is their strong worth ethic, commenting "We have a good culture, working with our mates but when the van door opens its business. The standards we set are high".

The strong crew culture is helped by everyone in the crew being local Ngongataha people—and playing for the same local rugby club! Ace of Spades have also taken in university students over the holidays to boost the workforce.

One of the biggest challenges in setting up the business was funding the equipment that was required to get started. They also commented that the task of setting up systems to meet workplace Health and Safety requirements took some hard work from the team.

Ben confirms that the learning aspects have been a highlight, learning about new tasks such as thinning to waste and fire control. He comments that a highlight has been "learning together as a team and sharing your

knowledge with new crew members."

The crew's main work includes thinning and planting but more recently has included firefighting and undertaking a slash clearing trial, hand clearing slash from a stream in Te Waka Forest.

The plan for the future is to broaden the work by assisting with some aerial spraying operations, and undertaking plotting work.

HFM NZ wishes Ace of Spades every success and looks forward to working with them into the future.



Ace of Spades crew having a well earned break after mopping up a fire in Kawerau earlier in the year

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New approaches to stream monitoring

Water quality and stream impacts have always been a strong focus for HFM NZ. Over the years we have used a range of methods for stream monitoring to assess instream impacts of our operations.

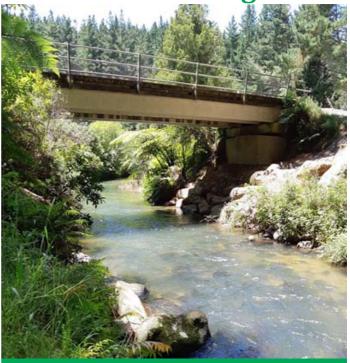
In the past monitoring has generally involved staff taking periodic water samples for testing. Alternatively, third party providers have been engaged to undertake more comprehensive monitoring of streams on a quarterly basis. This provides good information but is just too expensive to carry out over a large number of streams.

We have also used electric fishing extensively to assess the fish populations in our waterways. Electric fishing involves applying a current to the water to temporarily stun the fish which can then be caught in a net to record what species are present. While it provides very useful information it is clearly a quite invasive way of monitoring – for the fish at least!

Recently HFM NZ has been trialling some alternative methods to monitor waterways in our forests. 'Rapid Habitat Assessment' is a method developed by the Cawthron Institute to manually assess habitat quality of a section of the river based on a range of visual observations of the quality of the river bed and banks. This has commenced in Aramiro Forest on the flanks of Pirongia, in partnership with the landowners, the Aramiro Whenua Trust. This will enable us to work together to assess changes to stream quality over time both as a result of our harvesting, and also improvements being undertaken by the landowners on their downstream farmland.



Collecting a water sample for eDNA analysis



One of nine sampling sites in Aramiro Forest where Rapid Habitat
Assessment is being undertaken

Another methodology that is showing real promise is the new tool of Environmental DNA testing or 'eDNA'. Water samples are collected in a syringe and sent away for DNA analysis which gives a report of all of the different types of DNA fragments that are present in the water – including fish, macroinvertebrates and even land based animals in the catchment. eDNA has the potential to replace manual methods such as visual counts and electric fishing to identify what species are present.

Fish and macroinvertebrates are a really good indicator of stream health, so eDNA has the potential to be used as a method for monitoring overall stream health — using the presence or absence of more sensitive species as an indicator of health. It can also be used to locate rare but hard to find species such as the black mudfish in our Northern forests, and also pest species. The real advantage is that samples are quick and easy to collect and give a wealth of information about what is in the waterway.

Water monitoring is an area that is rapidly developing and HFM NZ is keeping a close eye on further developments in this space.

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