



Toitū te Marae ā Tāne, Toitū te iwi

# Toitū Te Waonui: an experiment in afforestation of Māori land.

September 2017



# How did TTW come about?

- From 2013. One man's vision
- Simple, compelling logic – a good story
- Seed capital
- Capable people:
  - Te Taru White, Mike King, David New, Guy Royal, Kim von Lanthen, Ken Hingston, John Ransfield, Andy Dick, Carl Ross, George Habib, Warren Webber, Arthur Warren, George Habib, Trevor Stuthridge, Russell Burton

# The vision

- Forestry is a profitable land use for Māori – rural towns flourished during large afforestation programmes in the past
- Forestry is most profitable if you own the trees
- Māori have plenty of land suited to forestry but, mostly, do not have access to capital
- Aggregation
- Carbon helps overcome the lack of cashflow
- If we want greater NZ ownership of our forests then Māori have to be central players.

# Progress

## Negatives

- Over ambitious targets
- Planning on the run
- Initial over reliance on central funding
- Mostly voluntary

## Positive

- Feasibility study reinforced the vision
- Movement to self-funding
- Perseverance
- Commercial capability
- Ancillary business opportunities
- Early support from a number of agencies

*“... I am a confirmed sceptic when people announce big schemes prior to actually doing anything that can be regarded as sufficiently commercially serious to attract benign commercial scale investors.”*

*“I could put up a whole list of questions for this proposal that do not seem to have been considered seriously let alone been answered, which are fundamental to whether such a scheme could even start, but I will not do that because I do not see how it would help anybody.”*

NZIF member May 2015, commenting on media article on TTW proposition

# Where are we at/ what have we done?

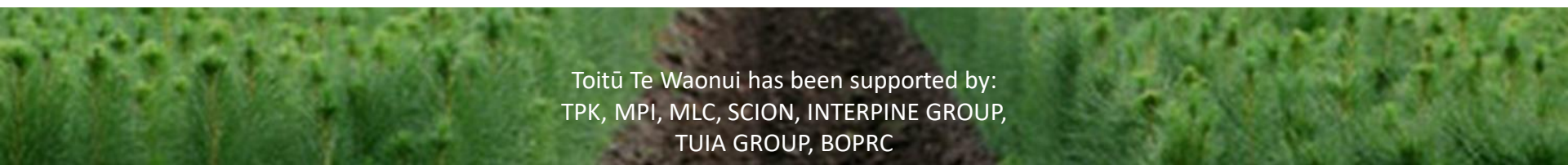
- Completed a feasibility programme that scientifically quantifies the land available for afforestation
- Successfully delivered on an engagement project for BOPRC
- Currently mid-way through a pilot afforestation programme with an offshore investor
- We have developed spatial and economic tools that help identify eligible land and help demonstrate the opportunity to land-owners



# Where are we at/ what have we done?

- Spinning off a software company based on the land-use tools that we have developed
- Developed a model that is transparent
- Landowners are equal participants
- Landowner returns include:
  - Annual rental
  - Stumpage share
  - Some carbon opportunity

Case study area	Total hectares available for afforestation
Te Tai Tokerau	28,599
Te Arawa	23,716
Whanganui	43,288
TOTAL	95,602



Toitū Te Waonui has been supported by:  
TPK, MPI, MLC, SCION, INTERPINE GROUP,  
TUIA GROUP, BOPRC



Parameter	Te Tai Tokerau	Te Arawa	Whanganui
Number of blocks	629	333	268
Average block size (ha)	103	132	222
Average growth (m <sup>3</sup> /ha at age 27)	786.5	837.2	792.9
Average distance to market (km)	85.74	49.96	103.51

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Factor	Base layer	Toitū Te Waonui layer
Discount rate (pre-tax)	8.0%	6.5 %
Market locations	Primarily to port	Greater % to domestic processors
Carbon price (NZU)	\$ 5.10/tonne	\$12.50/tonne

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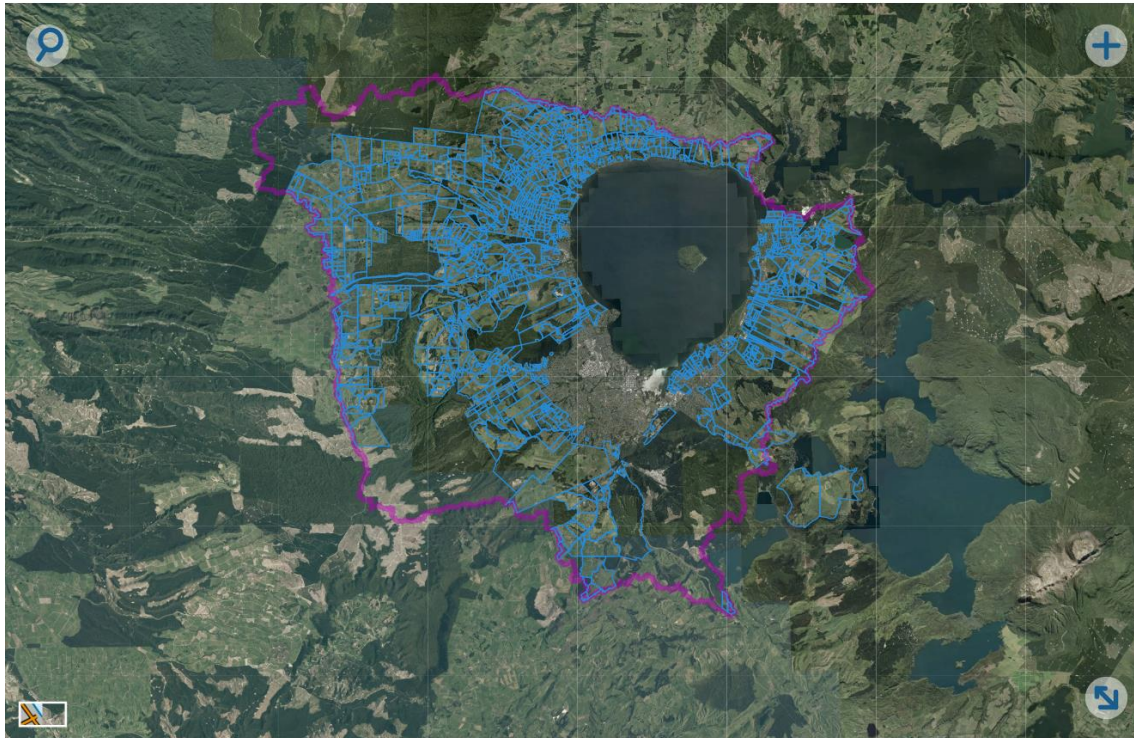
MAP

ANALYSIS




REPORT

FAQS

TERMS OF USE



Welcome to dNITRO. Here are some tips for using this tool.

- Use the map to find your parcels of interest:
  - You can pan and zoom using the mouse or a touch screen
  - Click on a parcel to select it and show the parcel information window
  - Use the search icon  to search for parcels by address, legal description or title
  - To toggle between aerial (satellite) photos and topomaps use the icons at the bottom left of the map
- To add a parcel for analysis, either:
  - click the "Add" button in the popup window or search panel
  - press the "a" key
  - click the  icon on the map
- Once you have added your parcel(s) of interest, go to the analysis page by clicking on either the "ANALYSIS" option in the top menu or the  icon on the map

To load or save selected parcels, use:

LOAD SAVE

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# What next?

- Our current pilot programme targets acquiring 1,000 hectares. If we are successful then we will enter in to a three year programme targeting 15,000 hectares.



# What have we learned?

- The original vision and belief is a profitable proposition.
- Engagement with land-owners is difficult but doable
- Government can help with seed capital but not real capital – the proposition has to be truly commercial
- It is hard – requires more than a good story. Need capital, need perseverance