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Consultation on operational detail for the legal harvest assurance system  
Forest Market Assurance Programme  
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### **Consultation on operational detail for the legal harvest assurance system**

Thank you for the opportunity to provide feedback on the operational detail for the legal harvest assurance system.

Within our submission the Wood Processors and Manufacturers Association of NZ (WPMA) highlights several key concerns with the proposed legal harvest assurance system operations details, plus we provide more context on some of the proposals, specifically in relation to wood products. We acknowledge the NZ Forest Owners' Association submission and provide our support to their feedback.

#### **WPMA key points being:**

- The need to ensure consistency within the Legal Harvest Assurance Scheme (LHAS) and Due Diligence Systems (DDS) between domestic produced and imported wood products.
- WPMA questions the need for exotic timber that is grown and processed in New Zealand and then sold in New Zealand to be registered, given the very low risk this presents as illegally harvested. WPMA hence submits that the LHAS needs to consider an exemption for wood processors and manufacturers that buy and sell wood products within New Zealand for domestic use only.
- The need to ensure that all wood processors and manufacturers within New Zealand can meet the LHAS requirements. As it reads if Pulp and Paper mills, for example, are to be included within the LHAS scope, it will be virtually impossible for these mills to provide the GPS coordinates for DDS as required under the LHAS. On this point, we request that MPI work closely with WPMA and our members to ensure that workable solutions are enacted within the LHAS that enable all our members to continue to operate legally when it comes to meeting the LHAS compliance requirements.
- That as the LHAS will be fully cost recovered MPI provide more detail as to the anticipated costs and how these will be imposed on New Zealand wood products producers.
- That the 'paperwork' for the LHAS is kept as simple as possible. WPMA submits that to avoid duplication that the DDS aligns as closely as possible with the EUDR requirements and other related DDS.

**General Comments on the LHAS follow.**

**1. Legal Harvest in New Zealand**

**Question (p.13): Do you agree with the proposal (yes or no)?**

- 1.1 WPMA favours yes, but with the condition that all parties are clear as to what legislation the Due Diligence System (DDS) includes. From a New Zealand perspective we are in support of the Resource Management Act, Forest Act, and the Heritage New Zealand Pouhere Taonga Act being included, but as per the NZFOA submission we don't see the purpose of also including the Biosecurity Act.
- 1.2 With the RMA Act currently undergoing major reform, we recommend that the detail within this Act is reassessed once it has been passed through the Parliamentary process.
- 1.3 When it comes to imported timber we recommend that the countries of origin relative forest/wood product/environmental Acts are also listed where known and suitable compliance is included as per New Zealand produced timber. Without overseas Acts, which manage log harvest being specified, the 'playing field' for domestic produced timber is unfavourable, with more compliance obstacles placed on domestic produced wood products versus imported timber. This could result in an adverse outcome where imported timber is easier to purchase and cheaper than New Zealand produced timber due to the LHAS requirements, thus resulting in a reduction in demand for domestic produced timber and hence leading to mill shutdowns. If this is not the intention of this legislation then this needs to be specified accordingly.
- 1.4 On the issue of interpretation WPMA strongly supports the NZFOA request for clarification of '*does not contravene the harvest laws*'. This needs to be restricted to requiring a declaration that the necessary approvals and permits as required under the listed Acts have been obtained. Any prosecution under these Acts should be required to be declared but should not render the logs illegal.

**2. Legal Harvest Scope**

**Question (p.14) Do you agree with the proposal (yes or no)?**

- 2.1 Yes – we agree that leaves from exotic species should be excluded from the definition of regulated timber.
- 2.2 We also support the definitions as outlined, but seek clarification as to whether additional wood products such as biproducts, chemicals, paper, pulp and materials (minus leaves) will be included within the legal harvest scope.

**Pulp and Paper producers**

- 2.3 If pulp and paper is to be included within the scope of the LHAS, WPMA request that leniency on using GPS coordinates to track a logs point of origin is enacted for these companies. Pulp and paper producers within New Zealand source fibre inputs from throughout New Zealand, making it virtually impossible to provide individual GPS data points.

- 2.4 As a solution we submit that should pulp and paper mills be included within the LHAS scope that wider data points are permitted, such as whole of the North Island. Without this out clause it will be extremely difficult for New Zealand pulp and paper mills to meet the compliance criteria and hence continue to operate legally within New Zealand.
- 2.5 WPMA request that MPI work with closely with our Pulp and Paper members to ensure that a workable solution is enacted with the LHAS.

**3. Identifying specified timber**

- 3.1 WPMA agrees with the proposed approach of using Tariff codes to identify relative exports and imports as the most logical identifier.

**4. Legal harvest information for exotic species of NZ timber**

- 4.1 WPMA is opposed to the proposed approach of creating a specific additional layer of documentation for the Legal Harvest Assurance System. In our opposition, we are supportive of the NZFOA submission, reemphasising the following:

- There are systems already in place for tracking logs, such as log docketing systems, FSC and PEFC chain of custody systems, and the European Union Deforestation Regulations (EUDR) Due Diligence System, which is to be enacted in late 2025.

- 4.2 WPMA strongly recommend that to avoid duplication and unnecessary paperwork and costs to wood processors and manufacturers that the LHAS aligns with the EUDR requirements where possible.
- 4.3 WPMA also recommends that to create a level playing field that all imported timber also provides the same Due Diligence System requirements as to where the log was harvested, right down to the specific GPS coordinates. This aligns with the EUDR and will ensure that all timber products imported into New Zealand are legal and not illegally harvested as currently occurs from time to time.

**Label of Origin**

- 4.4 An additional consideration is to mandate that all imported timber products must carry a label of origin indicating where the timber originated as a means of nullifying illegal imports. This could be backed by an enforcement scheme using suitable technology to provide consumers and others confidence that the products they are purchasing are sustainably sourced. WPMA provides support to this approach being investigated further by the New Zealand Government.

**5. Legal harvest information for indigenous species of New Zealand timber**

- 5.1 WPMA disagrees with this proposal and state that indigenous timber harvesting should have the same requirements as exotic timber harvesting.

## **6. Legal harvest information for specified timber products**

- 6.1 WPMA disagrees with this proposal and strongly recommends that to ensure that all imported timber is legally harvested that the same criteria is applied as to the DDS requirements for domestic harvested timber.
- 6.2 The EUDR is setting the global leadership model for tracking the origin of wood products with all countries importing wood products into the EU having to supply detailed information as to harvest origin, right down to individual tree location identifiable via GPS locations and/or polygon mapping. WPMA question why New Zealand is proposing a lesser regime for imported timber products when compared to the EU? As per our comments in 4.4, country of origin labelling would be an alternative option that the government could consider to enforce illegal timber importation.
- 6.3 WPMA submit that due to our current legislation and FSC/PEFC criteria illegal harvesting within New Zealand is considered very low risk, with the real concern being illegally harvested timber entering New Zealand in the form of 'blended' wood products for example, such as furniture, plywood, gib board or other engineered wood and building products imported via China, Asia and Eastern Europe. This should be the main target for this government, rather than burdening local mills with more costs and compliance.

## **7. Responsible persons**

- 7.1 WPMA supports the proposed exemptions for responsible persons.

## **8. Who needs to register**

- 8.1 WPMA questions the need for exotic timber that is grown and processed in New Zealand and then sold in New Zealand to be registered, given the very low risk this presents as illegally harvested.
- 8.2 WPMA hence submits that the LHAS needs to consider an exemption for wood processors and manufacturers that buy and sell wood products within New Zealand for domestic use only.

## **9. Getting registered**

- 9.1 WPMA is concerned that the LHAS process to become a registered person will be a costly and bureaucratic process that will not deliver the desired outcome. We are concerned on the cost recovery obligations on individual registered people and companies. Without detail on the cost recovery it is not possible to provide support to this process as the cost and associated paper work may be such that it restricts the ability of a company to operate at a profitable level.
- 9.2 We request more detail as to intended costs on the LHAS, plus how this process will be enacted. Our recommendation being that costs and 'paperwork' is kept to a minimum given the very low risk of illegal harvest within New Zealand.

**10. Information requirements**

10.1 As per our comments in Section 9, information requirements must be kept to a minimum. As the information requirements for application read this is not a straight forward process and it will be important that MPI provide suitable templates/electronic forms to make the process as simple as possible.

**11. Due diligence systems**

11.1 WPMA reinforce the need for consistency of DDS between domestic produced wood products and imported wood products. As the guidance reads imported wood products will not need to provide GPS coordinates, whereas GPS coordinate requirements will be mandated for domestic produced wood products.

11.2 As per prior comments, we strongly recommend that imported timber product DDS must be consistent with domestic harvested DDS.

**12. Obligations once registered**

12.1 WPMA recommend as per the EUDR requirements that records are kept for a maximum of 5 years versus 7 years as outlined. We also emphasise the need to keep record keeping simple to enable compliance to be achieved.

12.2 Without knowing how or who will enforce the compliance for record keeping, plus the cost of compliance, we are not able to endorse these requirements.

**13. Export Requirements**

13.1 WPMA supports the outlined export requirements.

**14. Recognition of assessors and agencies**

14.1 WPMA submit that as the LHAS will be fully cost recovered that cost along with competency must be a consideration of recognising suitable assessors and agencies.

14.2 WPMA once again questions the need to independently assess domestically grown exotic wood products that are sold in the New Zealand market for domestic use, e.g. building and construction.

**15. Public registers**

15.1 WPMA support the public register criteria as outlined. We agree that it is important that a person that will be displayed on a public register may apply to the Secretary to have their physical address withheld for safety or privacy reasons.

If you require any clarification on our feedback, feel free to contact me at [mark@wpma.org.nz](mailto:mark@wpma.org.nz)

## **The Wood Processors and Manufacturers Association**

### **About us:**

The Wood Processors and Manufacturers Association (WPMA) was established in 2014 through a merger of the Wood Processors Association and the Pine Manufacturer's Association. We are a voluntary funded industry association with a strong focus on promoting wood as the heart of a future zero-carbon economy.

Our members are leaders in the New Zealand wood industry converting harvested logs into a wide range of products including sawn lumber, pulp, paper, panels, laminated products, mouldings, and engineered wood, through to the development of Bio-forest product solutions.

Total sales of industry products both domestically and globally in 2024 were approximately \$5 billion. The industry employs close to 30,000 staff, mostly in the New Zealand regions.

<https://www.wpma.org.nz/>

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