

Forest Growers **LEVY  
VOTE  
2024**

# HAVE YOUR SAY

GROWER INFORMATION PACK

**TOGETHER WE CAN SET THE DIRECTION  
OF FORESTRY IN NEW ZEALAND**

**FROM RESEARCH AND DEVELOPMENT  
TO BIOSECURITY AND PROMOTION,  
THE LEVY WORKS TO BENEFIT  
THE ENTIRE FOREST SECTOR.**



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# ABOUT THE LEVY

In 2013, New Zealand's commercial forest growing sector identified the need for a national fund to support sector growth in a range of areas.

The general sentiment was that the sector should step up and play a bigger role in setting the direction of forestry in New Zealand.

Implementing a levy for forestry seemed the most appropriate way of supporting and growing the sector.

The proposal to establish a levy received support from growers and was subsequently approved by the Government. Forestry's first ever levy – the **Commodity Levies (Harvested**

**Wood Material) Order**<sup>1</sup>, governed by the **Commodity Levies Act 1990**<sup>2</sup> – came into effect in November 2013 at an initial levy rate of 27 cents per tonne of harvested wood material.

Today, all forest owners are legally required to pay the levy upon harvest.

The FGLT acts as custodian of the levy money, ensuring it is appropriately invested in areas such as research and development, biosecurity and promotion, to benefit the entire forest growing sector.



**\$6.4 BILLION**

GENERATED BY  
NEW ZEALAND  
FORESTRY EXPORTS  
FOR THE YEAR ENDED  
DECEMBER 2023



**14,000**

FOREST  
GROWERS IN  
NEW ZEALAND



**28 YEARS**

THE LEVY IS COLLECTED  
WHEN TREES ARE  
HARVESTED, WHICH IS  
TYPICALLY AT 28 YEARS  
OF AGE OR OLDER

1. <https://legislation.govt.nz/regulation/public/2019/0232/9.0/LMS255446.html>  
2. <https://www.legislation.govt.nz/act/public/1990/0127/latest/whole.html>

## Purpose of the levy

The purpose of the Commodity Levies (Harvested Wood Material) Order is to fund various activities and initiatives with a view of advancing the interests of all New Zealand forest growers.

It is applied to all harvested wood material from plantation forests in New Zealand. That is, any material that is, or is derived from, trees

harvested from a plantation forest, including logs, woodchips, bin wood, posts, hogged material and forest waste. Christmas trees and tree bark separated from logs are not levied.

Under the Levy Order, a plantation forest is defined as any forest (whether exotic or native) that has grown as a result of being planted and includes any regenerated planted forest.

The purpose of the Commodity Levies (Harvested Wood Material) Order is to fund various activities under research and development, biosecurity surveillance, sector promotion and more, that benefit the entire forest growing sector.



## Levy timeline

**2013**



New Zealand's first Harvested Wood Material Commodity Levy was approved. The Forest Growers Levy Trust was subsequently established as an Incorporated Society and made responsible for managing the proceeds of the levy

**2014**



The levy payable for the first levy year was 27 cents per tonne of harvested wood material. The maximum levy rate set for the 2014–2019 period was 30 cents

**2019**



The first Forest Growers Levy Vote was held. Forest growers voted in support of renewing the levy at an increased rate of 33 cents for the 2020–2025 period

**July 2024**



Levy Vote webinars were held to present the levy proposal and discuss levy investment to date

**August 2024**



Post-consultation Levy Vote survey conducted

**September 2024**



Voting information sent to growers by email or post



**February 2024**



Consultation began for the second Forest Growers Levy Vote

**March 2024**



Forest Growers Levy Vote booklet distributed in person and posted online

**April and May 2024**



More than 20 roadshows were held from April to June in regions across the country to consult with growers on areas of levy investment and changes to the levy rate

**October 2024**



Eligible growers place their vote from 1–31 October, indicating whether to renew the levy at a rate of 33–45 cents per tonne of harvested wood material

**December 2024**



The FGLT submits the Levy Order and accompanying outcome of the Levy Vote to the Minister of Forestry for approval

**2026–2032**



If approved by the Minister, a renewed levy would apply for six years from the expiry of the current Levy Order (17 November 2025)

## Who pays the levy?

The levy benefits the entire plantation forest sector, therefore all forest owners, regardless of whether their forests are small or large, pay the levy when their trees are harvested.

The levy is collected on harvested wood material and becomes payable on the earliest of the following:

1 Immediately before the wood material enters a mill or other processing plant

2 Immediately after the wood material enters a port

3 When the wood material is sold.

## How is the levy collected?

To ensure all forest products are fairly and accurately levied, domestic wood processors and export stevedoring/marshalling companies act as the data collection agents and supply this information to an independent third-party provider, Levy Systems.

Levy Systems manage the levy collection on behalf of the Forest Growers Levy Trust (FGLT).

Collection agents are asked, and legally required, to provide volume, weight and log ownership information to Levy Systems on a monthly basis.

Levy Systems then invoice the owners of the trees at the sawmill or port on behalf of the FGLT. If the person or agent invoiced is not the forest owner, the levy and any GST payable can be charged back through the supply chain to the forest owner.

The ultimate levy payer is the forest owner. See page 21 for a definition of who is a forest owner for the purposes of the Levy Vote.

## How is the levy calculated?

The levy applies to harvested wood material and is calculated on the basis of its weight in tonnes at the time the levy becomes payable.

Because harvest volumes vary, the total levy amount collected each year may be more or less than the previous year.

In 2023, the total levy collected was \$10.2 million. Budgeted levy income for 2024 is \$9.5 million.



**\$9.5 MILLION**

**BUDGETED LEVY  
INCOME FOR 2024**



## How is the levy rate determined?

Levy Orders are valid for a maximum of six years, after which time, legislation requires levy payers (and potential levy payers) to re-confirm their support to renew the levy for a further six-year period.

Eligible forest growers will have the opportunity to vote to renew the levy at this year's Forest Growers Levy Vote: **1–31 October 2024.**

In the lead up to the Levy Vote, the FGLT prepares a proposed levy rate band, which consists of a minimum and maximum levy rate that can be imposed on growers at a fixed rate for the wood material growers harvest in the next Levy Order period.

The FGLT determines what levy rate to propose by:

- Assessing forestry's current and future needs
- Considering how the levy and its associated work programme might best meet those needs
- Looking at anticipated harvest volumes
- Undertaking a cost analysis of administering the work programme; and
- Consulting with growers and stakeholders on priority areas of spend and what an appropriate levy rate is to them.

The FGLT reviews the feedback from the consultation period and tailors the proposed levy rate band and priority areas of spend accordingly.

The minimum and maximum levy rates for the next Levy Order period are clearly specified in growers' voting papers.

If more than 50 percent of Levy Vote participants support renewal of the levy at the proposed rate(s) set out by the FGLT, then a new Levy Order comes into effect (subject to the Minister's approval) at the minimum rate for the first year.

For each subsequent year, the FGLT board must fix the levy rate before the start of the new levy year. The FGLT can set the levy at any rate within the band set out in the Levy Order, so long as it does not exceed the maximum rate prescribed for that six-year period.

The FGLT must also consult with levy payers and potential levy payers on how it proposes to spend levy money each year.



## 50% SUPPORT

IF MORE THAN 50 PERCENT OF LEVY VOTE PARTICIPANTS SUPPORT RENEWAL OF THE LEVY, THEN A NEW LEVY ORDER COMES INTO EFFECT

## How is the levy spent?

Without the levy, the forest growing sector would not have had the level of investment it has today in areas such as research and development, promotion and biosecurity. It is vital to supporting our sector's growth.

**Under the current legislation, the FGLT has the authority to spend levy money for the following purposes relating to harvested wood material or forest growers:**

- a) Research and development
- b) Forest biosecurity
- c) The National Forest Health Surveillance Scheme
- d) Training and careers
- e) Forestry workforce health and safety, including development and support for industry standards and codes
- f) The Forest Strategy and Roadmap
- g) Programme development and implementation costs
- h) Industry and product promotion
- i) Representing the interests of forest owners and the industry
- j) Administration costs.

It cannot be spent on any commercial or trade activity.

Anyone can apply to use levy funding for a forestry project or initiative that sets out to benefit the sector, provided it is in line with the spend criteria stated in the Levy Order.

Those seeking funding from the FGLT can apply through its annual funding application process. If the application is successful, it is incorporated into the annual FGLT work programme.

The FGLT consults with growers each year on its proposed spend and notifies the sector of its annual work programme and budget at the start of each year. How levy money was spent and what was achieved is later reported on through the **FGLT Annual Report**<sup>3</sup>, grower communications and via the **FGLT website**.<sup>4</sup>

3. <https://fglt.org.nz/about-us/annual-report>

4. <https://fglt.org.nz/>

## What your levy has delivered

Support for the Harvested Wood Material Commodity Levy has only grown since its introduction, with growers coming to realise the value in having an industry-led programme of work year-on-year.

This collective investment by growers has achieved more than individual forest owners and growers could ever accomplish on their own. So far, the levy has delivered stronger biosecurity protection for our forests, raised the value of forestry in New Zealand, improved health and safety, and helped transform our harvesting operations with mechanisation.

Levy-funded projects leverage significant funding from external sources too. The forest research and development programme in particular has delivered good value for growers, raising \$2.50 for every levy dollar invested.

Each year of levy investment continues to build on the work that has been done so far and delivers widespread benefits to the whole sector.

Read more about the specific projects and initiatives the levy has delivered at <https://forestvoice.orgnz/?q=delivered>



The forest research and development programme in particular has delivered good value for growers, raising \$2.50 for every levy dollar invested

## More than \$10 million invested in 2023

The money raised by the levy is used to benefit plantation forestry in New Zealand. In 2023, levy money was spent on project and initiatives predominantly in the following four categories:



**Research and development** – ranging from genetics through to tree health and best practice in fighting forest fires.



**Health and safety** initiatives administered by the Forest Industry Safety Council to reduce accidents in the industry.



**Biosecurity** research and surveillance for forestry in New Zealand.



**Promotions** to improve forestry's reputation and trust among New Zealanders and raise the profile of the benefits forestry offers.



Research and development **59.6%**



Biosecurity **12.1%**



Health and safety **9.1%**



Promotions **9.0%**



Training and careers **3.8%**



**2.9%** Environment



**1.9%** Transportation and logistics



**1.3%** Small and medium enterprise (SME) forest owners



**0.3%** Fire

# LEVY RATES

Every six years, the forest growing sector has the opportunity to review the levy imposed on them as part of the Commodities Levy (Harvested Wood Material) Order renewal process.

Often, changes to the levy rate are proposed to allow for more investment into industry-good projects, initiatives and activities and to ensure growth, profitability and resilience of the sector continues on a positive trajectory.

The Forest Growers Levy Trust puts forward a proposed levy rate during the referendum process and consults with growers on whether the rate is too high, satisfactory, or too low to service the sector's needs.

The FGLT reviews their proposed rate based on growers' feedback during consultation and makes adjustments if necessary.

The minimum and maximum levy rate for the next Levy Order period are formally laid out in the voting papers and communicated to growers who then have the opportunity to vote in support of, or against, renewing the levy at the proposed rate(s) during the referendum.

## Previous rates

The first levy vote occurred in 2013, with growers voting in favour of introducing forestry's first ever levy at a minimum levy rate of 27 cents and a maximum levy of 30 cents per tonne of harvested wood material for the 2014–2019 Levy Order period.

The second levy referendum occurred in 2019, which saw growers vote in support of renewing the levy at a higher band of 30 to 33 cents per tonne of harvested wood material for the 2020–2025 period.

This additional support vindicated the investment of levy funds over the previous six years.



**27c–30c**

FROM 2014 TO 2019

**30c–33c**

FROM 2020 UNTIL TODAY

## Current rate

The current levy rate under the Harvested Wood Material Levy Order (2019) is 33 cents per tonne of harvested wood material. This raises approximately \$10 million per year in levy money (depending on harvest volumes).

## Proposed rate for 2026–2031

Eligible forest growers will have the opportunity to vote to renew the Harvested Wood Material Levy at the rate proposed by the FGLT during this year's Forest Growers Levy Vote.

The FGLT proposes to change the levy rate band for the 2026–2031 Levy Order period, setting a minimum levy rate of 33 cents per tonne of harvested wood material and a maximum levy rate of 45 cents per tonne of harvested wood material (excluding GST).

The minimum rate will be fixed for the first year of the new Levy Order (until the end of 2026).

For every subsequent year, the FGLT board will fix the levy rate within the 33 to 45 cent range before the start of each levy year following consultation with current and/or potential levy payers.

Any proposed increase to the levy rate in any year will not proceed if it is against the wishes of those likely together to pay more than half of the total levy collected in the year the proposed increase will apply.

As the Harvested Wood Material Levy is collected at a fixed rate per tonne of harvested wood material, the total levy amount collected each year will vary according to changes in harvest levels.



# 33c–45c

PROPOSED LEVY RATE  
FOR 2026–2031

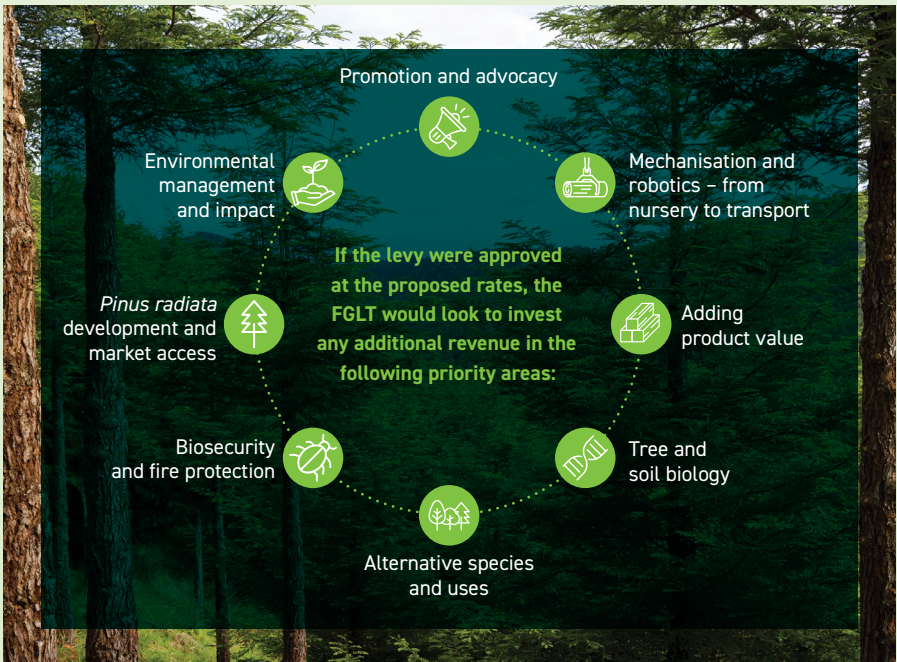
## How was the proposed levy rate determined?

Delivering a stronger return on investment for forestry while balancing the economic pressures growers are under was a key consideration of the FGLT when scoping the proposed levy rate band.

The optimum levy rate (49 cents) identified by respondents in a post-consultation Levy Vote survey should provide growers confidence that FGLT's recommended levy rate for the 2026–2031 Levy Order period aligns with the views expressed by growers.

A maximum levy rate of 45 cents would provide forestry with up to \$3.5 million in additional levy money each year to spend on industry-good projects and activities and provide a higher level of support to growers.

The spend in each category is broad to provide flexibility and to cover changing circumstances and sector priorities. For example, some programmes within these priority areas may be extended beyond a single year, some may be of short duration and others may arise at short notice.





# YOUR LEVY, YOUR SAY — YOUR FEEDBACK

The Forest Growers Levy Trust has spent eight months talking to growers in the lead up to the Levy Vote, listening to whether the levy is meeting their needs and getting feedback on how growers would like to see it invested in the years to come.

The FGLT wants to thank everyone who took the time to attend these meetings and provide their feedback. Your contributions are vital for ensuring the levy is meeting growers' needs and helps the FGLT understand how it can best support the sector going forward.

## Pre-consultation survey

The FGLT commissioned an initial survey of growers in February before levy consultation took place.

The survey confirmed that nearly half (49%) of you believe forestry needs more investment. Less than a third (27%) of respondents said the sector should maintain the same level of investment and only four percent of respondents said the sector should be investing less.

Respondents rated research and development as the highest priority area for levy investment followed by biosecurity, more tools and services for small scale foresters and an increase in environmental advocacy and sector promotion.

## Post-consultation survey

A further post-consultation Levy Vote survey was conducted through August and September after the regional roadshows and webinars were held, assessing awareness of the levy, the level of support for the levy and what areas growers would like to see more levy investment in.

All respondents were forest owners, the majority being small scale growers (<1000-ha).

Nearly 90 percent of respondents reported they were aware of the levy - an increase in awareness compared to the pre-consultation survey. Less than two percent said they didn't have any awareness of the levy, a further improvement on the initial survey. Awareness of the FGLT and its role in administering the levy work programme also improved.

Awareness of the Levy Vote in October increased compared to February, along with significant growth in growers' confidence that they have enough knowledge of the levy and what's being proposed to cast their vote.



**134 ATTENDEES**

TWENTY-ONE IN-PERSON  
ROADSHOWS WERE HELD,  
ATTRACTING 134 ATTENDEES



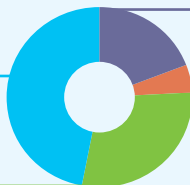
**NEARLY 90%**

OF RESPONDENTS  
REPORTED THEY WERE  
AWARE OF THE LEVY

### The level of investment that respondents thought should be made into forestry

**47%** believe forestry  
needs **more** investment

**29%** said the sector  
should maintain the  
**same level** of investment



**19%** said they  
weren't sure

**5%** of respondents  
said the sector should  
be investing **less**

Significant recollection of disseminated Levy Vote information was also achieved, with nearly a third of respondents recalling seeing promotional material.

When asked about what rate the levy should be set at for the next six years, cumulative responses indicated an Optimum Price Point (OPP) of 49 cents per tonne of harvested wood material would be the most appropriate levy rate.

The level of investment that respondents thought should be made into forestry did not differ significantly from the pre-consultation survey. That is, nearly half (47%) believe forestry needs

more investment, while approximately a third (29%) of respondents said the sector should maintain the same level of investment. Only five percent of respondents said the sector should be investing less.

### Roadshow feedback

Twenty-one in-person roadshows were held across the regions in April, May and June, attracting 134 attendees.

The FGLT presented its proposal for future levy investment and discussed with growers what rate the new levy should be set at.

Most attendees agreed the levy is important for supporting the sector and assisting in its growth but equally, there was a recognised need for more support within the sector particularly given the recent negative publicity, lack of public confidence and the rapidly changing regulatory environment.

Some concern was expressed about increasing the levy rate amidst falling returns and increased costs, with many growers saying the maximum levy rate originally proposed by the FGLT (70 cents) was excessive given the tough operating environment growers find themselves in.

Attendees also said more clarity on the levy's Return On Investment is needed, as well as better communication of what the annual levy work programme delivers to growers – particularly small-scale operators.

Common feedback around future levy investment showed:

- Support for greater promotional work
- Support for more advocacy in the environment space
- A desire to see increased investment in mechanisation and “added value”.
  - Investment into mechanical pruning solutions was often mentioned by small scale foresters and farmers
- Support for more biosecurity work to ensure continued protection of New Zealand's forest estate
- Funding more work on alternative species.

## Webinar feedback

Five webinars were held by the FGLT in July to provide growers a convenient opportunity to participate in consultation sessions.

Three of these were specialty webinars – Environment and Risk, Small Scale Grower webinar and Research and Development – covering off more specific detail by some of the core levy investment areas.

Attendance totalled 119 people across all sessions.

### Aggregate responses on priority areas of levy investment returned the following results:

1. Environmental management and impact
2. Promotion and advocacy
3. Biosecurity
4. Adding value
5. Mechanisation and robotics
6. Tree and soil biology
7. Alternative species
8. *Pinus radiata* development and market access.

Attendees' responses on priority areas of spend align with the feedback received from the regional roadshows.

## General consultation feedback

The FGLT has continued to consult with growers, small and large, and its broader constituent base in the months after the roadshows and webinars.

We heard from Māori forest landowner representative association Ngā Pou a Tāne that the levy needs to be more representative of Māori and their interests.

The Association said greater levy support is needed to ensure the Māori forestry voice is heard given the substantial interests Māori have in the industry – from significant land and forest ownership through to providing over 40 percent of the sector's workforce.

Ngā Pou a Tāne also said its members would like to see more of a levy focus on developing alternative species to radiata as well as a campaign to address forestry's social licence to operate issue.

There was a call for increased workforce training too and greater support for embedding Mātauranga Māori – culture, environmental priorities, and perspectives – into forestry.

Farm forestry and woodlot owners' main concerns revolved around substantial increases to the levy rate, highlighting that many woodlot owners are already struggling to make adequate returns from their forestry blocks.



40%+ MĀORI

MĀORI COMPRISE OVER 40 PERCENT  
OF FORESTRY'S WORKFORCE

Anxiety was high around the long-term future for forestry in New Zealand, with small growers saying the sector needs to do a better job of promoting itself and the value it brings to New Zealand.

More market development from the levy for alternative species such as Redwoods, Poplar, Willows, Cedar and Cyprus was raised in addition to the need for ongoing support of health and safety efforts, noting the substantial improvements made through the Forest Industry Safety Council, who are partly funded by the levy.

While most were not in favour of a large increase to the levy rate, there was some support for a more conservative increase in line with other primary sectors' levy rates to address the increasing pressures the sector faces – particularly if it meant more advocacy work could be achieved.

Large scale growers said they are struggling to survive with the increase in operating costs, prolonged low product prices and heightened regulatory, political and community pressures. Shareholders and clients are looking for cost reductions and a path back to profitability and that a substantial increase to the levy indicated would be ill-timed.

Large scale growers also wanted more clarity on how new funding would be spent and a clear demonstration of the benefits to levy payers.

Despite the tough operating environment, by and large there was widespread general support from growers for renewal of the levy, noting the good work it does.

The FGLT heard loud and clear through its consultation that growers are doing it tough and understand that a higher levy rate may not be viable for growers at this time.



## WORKING TOGETHER

THE FGLT ACKNOWLEDGES THE PRIVILEGE IT HAS IN BEING ABLE TO WORK ON BEHALF OF GROWERS AND INVEST LEVY MONEY WITH THEIR SUPPORT

The FGLT took your feedback onboard and adjusted the proposed levy rate accordingly, paring it back from the originally proposed rate of 40 to 70 cents to a levy band of 33 to 45 cents to ensure the levy works for you.

The FGLT acknowledges the privilege it has in being able to work on behalf of growers and invest levy money with their support.

Your support of the levy will help continue this important stream of work.



## HAVE MORE FEEDBACK?

If you have views on the levy or this year's Levy Vote process that you would like heard, please submit your feedback to [admin@fglt.org.nz](mailto:admin@fglt.org.nz) with 'Levy Vote feedback' in the subject line.

Anyone who feels their views on the levy have not been sufficiently represented by the FGLT, or any person opposing the levy proposal, can submit their feedback directly to the Minister of Forestry.

# 2024 REFERENDUM

The FGLT must conduct a levy referendum every six years in accordance with the **Commodity Levies Act 1990**.

## The levy vote process

Every six years, forest growers are asked to vote on whether they would like to renew forestry's levy for a further six years.

The Forest Growers Levy Trust is legally required to conduct this six-yearly voting process in accordance with the **Commodity Levies Act 1990**.

The current levy, the Commodity Levies (Harvested Wood Material) Order 2019, will expire in November 2025 and is therefore up for renewal.

Only growers that own a **qualifying forest** will be eligible to place a vote in this year's Forest Growers Levy Vote.

## Voting packs

Growers will receive voting information, including voting papers, via email in the weeks leading up to the Levy Vote.

This information will be sent from independent election agency, Research NZ, who has been engaged by the FGLT to conduct this year's referendum.

The voting email will:

- Advise when voting is live
- Provide a link to the voting website
- Explain how growers can submit a vote
- Include a Levy Vote grower information booklet.

Growers unable to access or submit their vote online can request physical voting papers be mailed to them by contacting [info@forestvoice.org.nz](mailto:info@forestvoice.org.nz)

## Registration

Growers are encouraged to pre-register their details for voting on the [forestvoice.org.nz](https://forestvoice.org.nz) website to ensure they receive timely and relevant communications on the levy referendum.

Please note, registration is not a requirement for voting.

<https://forestvoice.org.nz/?q=vote>

## Eligibility to vote

Only forest owners with legal ownership of one or more **qualifying forest** can cast a vote in this year's Forest Growers Levy Vote. Only one vote may be cast irrespective of how many qualifying forests owned.

A qualifying forest is defined as: A contiguous and relatively homogenous stand (or stands) of trees that:

- 1 Are 10 years or older with a common set of characteristics, normally managed as a single unit. For the purposes of the 2024 election, this means your stand(s) must have been planted before 30 September 2014.
- 2 Are four hectares or more at the time of voting
- 3 You intend to harvest\* between 18 November 2025 and 17 November 2031.

\*It is assumed that the earliest a tree may be harvested is at age 16 via production thinning.

This definition applies to all species, wildings, and regeneration of trees grown for eventual harvest but excludes Christmas trees and trees grown for domestic firewood.

The forest-age restriction is designed to ensure that everyone who grows trees which might be harvested and sold in the six-year levy period, and therefore pays a levy, has the right to vote.

Legal ownership refers to the legal entity that owns a plantation of standing trees as of the first day of the referendum (1 October 2024). Ownership will arise through:

- 1 Direct ownership of a qualifying forest; or
- 2 A Crown Forest Licence; or
- 3 A forestry right or cutting right created under the Forestry Rights Registration Act 1983.

Where forest land and forestry rights or cutting rights on that land are owned by different parties, the holder of the forestry right or cutting right is deemed to be the legal owner of the trees for referendum voting purposes and is eligible to cast one vote – not the owner of the underlying forest land.

If you know people who are growing trees for harvest, and think they may be eligible, encourage them to vote in the 2024 levy referendum.

## Who is not eligible to vote?

If you are a forest owner and you do not intend to harvest trees between 18 November 2025 and 17 November 2031, then you are not eligible to vote in the referendum.

If you own a forest with a stand or stands that total **less than 4 hectares** in area, you are also not eligible to vote regardless of the age of that stand(s).

## Casting your vote

Eligible forest growers will be able to submit their vote online from 1 October until 5pm, 31 October 2024, through [forestvoice.org.nz](https://forestvoice.org.nz).

Voters will be required to provide the following information on their voting papers:

- Name and address of forest owner
- Email address of forest owner
- Name and location of qualifying forest(s)
- Net stocked area (ha) of all forest(s) owned as at 31 December 2023.

This information will only be used for the purposes of calculating the total area of land represented by votes as required under the Commodity Levies Act and not for any other purpose.

Participants will then be asked to indicate 'yes' or 'no' as to whether they support the proposed Commodity Levy to be paid by forest growers in the next Levy Order period (2026–2031), at the rate and conditions set out in the voting paper.

Only **one vote** may be cast per forest owner, irrespective of the number of qualifying forests owned.

Any voting paper, be that online or paper based, returned to the returning officer (Research New Zealand) that is completed incorrectly or is incomplete will be treated as a vote against the levy.

Any voting paper that is returned by a person who is not eligible to vote will not be counted.

Any voting paper submitted after the deadline will not be counted.



## ONLY ONE VOTE

MAY BE CAST PER FOREST OWNER,  
IRRESPECTIVE OF THE NUMBER OF  
QUALIFYING FORESTS OWNED



## Voting result

Research New Zealand will be conducting the voting process and counting of votes on behalf of the Forest Growers Levy Trust.

In order for the Commodities Levy (Harvested Wood Material) Order to be renewed:

1 Votes in support of the levy must be more than half (>50%) of all participating votes; and

2 Supporting votes must be more than half the total land area (ha) declared by all voting participants.

This means the vote can't be swayed by a few large forest growers or by a large number of small forest growers who have very few trees overall. It also ensures the vote is a sound representation of most growers, and therefore the majority of the forest growing sector.

If the vote returns a majority support result for the levy, then the Forest Growers Levy Trust will apply to the Ministry for Primary Industries (MPI) and the Minister of Forestry for a new Levy Order to be enacted as per the parameters set out in the voting paper.

Enactment of the new Levy Order is subject to approval by the Minister of Forestry. If approved, the new Levy Order will replace the existing Commodity Levies (Harvested Wood Material) Order 2019 expiring on 17 November 2025.

If majority support is not achieved, the levy will cease to exist, and the Forest Growers Levy Trust will be disestablished. Forest growers and the wider sector will need to fund their own initiatives, projects and activities.

The FGLT will communicate the outcome of the Levy Vote to growers once it is received – likely mid-November or December 2024 at the latest.

Confirmation of whether the new Levy Order has been approved by the Minister may not be received until 2025. Growers will be notified as soon as notification of the outcome is received.

# FREQUENTLY ASKED QUESTIONS



## What is a levy referendum?

A levy referendum is a process that must be run every six years in accordance with the Commodity Levies Act 1990 to determine if there is renewed support to continue imposing a levy on forest growers.

The funds raised from this levy (the Harvested Wood Material Commodity Levy) are typically used to support various initiatives aimed at advancing the industry's interests, such as research and development projects, promotion of the industry and advocacy efforts.



## When is the Forest Growers Levy Vote taking place?

Eligible forest growers with a qualifying forest will be able to submit their vote online through [forestvoice.org.nz](https://forestvoice.org.nz) from 1 October 2024 until 5pm, 31 October 2024.

Growers unable to access or submit a vote online can contact [info@forestvoice.org.nz](mailto:info@forestvoice.org.nz) to request a pre-paid mail-out of voting papers.



## What is the levy proposal?

The FGLT propose to change the levy rate band for the 2026–2031 Levy Order period, setting a minimum levy rate of 33c per tonne of harvested wood material and a maximum levy rate of 45 cents per tonne of harvested wood material (excluding GST).

The minimum rate will be fixed for the first year of the new Levy Order (until the end of 2026).

For every subsequent year, the FGLT board will fix the levy rate within the 33 to 45 cent range before the start of each levy year following consultation with current and/or potential levy payers.

Any proposed increase to the levy rate in any year will not proceed if it is against the wishes of those likely together to pay more than half of the total levy collected in the year the proposed increase will apply.



### Who pays the levy?

Every forest owner, irrespective of the size of their forest, that harvests during the 6-year period from 18 November 2025 to 17 November 2031 must pay the levy, including any GST.



### How is it calculated?

The levy is calculated on the weight (in tonnes) of harvested wood material at the time that the levy becomes payable.

Because harvest volumes vary, the total levy collected each year may be more or less than the previous year.



### When do I have to pay the levy?

The levy becomes payable on the earliest of the following:

- a) Immediately before the material enters a mill or other processing plant
- b) Immediately after the material enters a port
- c) When the material is sold.



### How is the levy collected?

A separate company, Levy Systems Limited, has been formed by an independent third-party provider to manage the levy collection on behalf of the FGLT.

Only Levy Systems can access the data, which is stored securely. Information identifying the data collector, or the levy payer may only be used for levy collection purposes.

The contact details of the owner of the levied products (logs, posts, poles etc) are supplied to Levy Systems monthly by mills and marshalling agents just before the product crosses the mill gate, or just after the wharf gate.

Levy Systems sends an invoice to those companies monthly.

These companies are liable to pay the invoice if they are the forest owner, or if they are the product owner, or an agent for the product owner. If a product owner or an agent pays the invoice, not the forest owner, they have a legal right to recover the levy component from the previous product owner. The ultimate levy payer is the forest owner.



### How will the levy be spent?

The FGLT is required by law to spend all levy money paid to it, and invest all levy money, within the calendar year (1 January to 31 December).

The purposes for which levy money may be spent are also governed by the Act. Page 8 details all of the purposes the FGLT is permitted to spend levy money on.

If the new Levy Order is approved at the rates proposed, the FGLT would look to invest any additional revenue in the following priority areas:

1. Environmental management and impact
2. Promotion and advocacy
3. Biosecurity and fire protection
4. Adding product value
5. Mechanisation and robotics
6. Tree and soil biology
7. Alternative species and uses
8. *Pinus radiata* development and market access.

The spend in each category is broad to provide flexibility and to cover changing circumstances and sector priorities. For example, some programmes within these priority areas may be extended beyond a single year, some may be of short duration and others may arise at short notice.



### Who can participate in the Forest Growers Levy Vote?

Only forest owners with legal ownership of one or more **qualifying forest** can cast a vote in this year's Forest Growers Levy Vote.

A qualifying forest is defined as:

A contiguous and relatively homogenous stand (or stands) of trees that:

1. Are 10 years or older with a common set of characteristics, normally managed as a single unit. For the purposes of the 2024 election, this means your stand(s) must have been planted before 30 September 2014
2. Are four hectares or more at the time of voting
3. You intend to harvest\* between 18 November 2025 and 17 November 2031.<sup>5</sup>

This definition applies to all species, wildings, and regeneration of trees grown for eventual harvest but excludes Christmas trees and trees grown for domestic firewood.

The forest-age restriction is designed to ensure that everyone who grows trees which might be harvested and sold in the six-year levy period, and therefore pays a levy, has the right to vote.

5. It is assumed that the earliest a tree may be harvested is at age 16 via production thinning.

Legal ownership refers to the legal entity that owns a plantation of standing trees as of the first day of the referendum (1 October 2024). Ownership will arise through:

1. Direct ownership of a qualifying forest; or
2. A Crown Forest Licence; or
3. A forestry right or cutting right created under the **Forestry Rights Registration Act 1983**.

Where forest land and forestry rights or cutting rights on that land are owned by different parties, the holder of the forestry right or cutting right is deemed to be the legal owner of the trees for referendum voting purposes and is eligible to cast one vote – not the owner of the underlying forest land.

Refer to pages 21–22 for full details on who is eligible to vote.



### **Who is not eligible to vote?**

If you are a forest owner and you do not intend to harvest trees between 18 November 2025 and 17 November 2031, then you are not eligible to vote in the referendum.

If you own a forest with a stand or stands that total less than 4 hectares in area, you are also not eligible to vote regardless of the age of that stand(s).



### **I meet the eligibility criteria of a qualifying forest but haven't decided when I will harvest my trees. Can I vote?**

The eligibility to vote criteria is not totally prescriptive. It has been designed to ensure both potential levy payers and levy payers who will likely harvest in the next six-year period, and therefore contribute to the levy, have the opportunity to vote.

If you have a qualifying forest and intend to harvest\* four or more hectares of trees between 18 November 2025 and 17 November 2031, you can cast a vote.

\*It is assumed that the earliest a tree may be harvested is at age 16 via production thinning.



### **I meet the eligibility criteria of a qualifying forest but only intend to harvest a portion of that forest in the next six years. Can I vote?**

Yes. So long as you intend to harvest four or more hectares of your qualifying forest in the next six years, you can place a vote in this year's levy referendum.

E.g. Joe Blogs owns 30,000 ha of production forest and intends to harvest 7 hectares of that in 2028. Joe is eligible to vote.



### **Do I need to register to vote?**

No, it is not a requirement to register to vote, although we strongly encourage you to do so to ensure that you receive timely and relevant communications on the levy referendum.

<https://forestvoice.org.nz/?q=vote>



### **How many votes can I cast?**

A forest owner with legal ownership of one or more qualifying forests is entitled to cast **one vote** in the referendum.

A forest owner who has received a special dispensation from the Forest Growers Levy Trust Board is also entitled to cast one vote.

Each legal 'entity' with a qualifying forest can place one vote. This vote is counted in two ways:

- a. The number of forest owners (Voting Legal Entities) voting; and
- b. The number of hectares those Entities represent.

Only one vote may be cast per forest owner, irrespective of the number of forests owned. Only one vote may be cast in respect of any one qualifying forest.



### **My forest is owned by more than one person. Do I still only get one vote?**

Forests that are in joint ownership (e.g. Crown partnerships, Trusts) still only receive one vote.

The person identified as the legal decision maker for this forest is eligible to place one vote on behalf of the Trust, partnership or jointly owned forest they represent, provided it is a qualifying forest that meets all other eligibility criteria.

Where a legal decision maker is not identified in such arrangements, it is up to the owners, trustees or representatives of the qualifying forest to nominate who will be responsible for casting the vote and whether to vote in support of, or against, the levy.



## **JOINT OWNERSHIP**

**FORESTS THAT ARE IN JOINT OWNERSHIP (E.G. CROWN PARTNERSHIPS, TRUSTS) STILL ONLY RECEIVE ONE VOTE**

**I own my forest but have sold the cutting rights to someone else. Who gets the vote?**

If you, as the forest owner, have granted legal authority to someone else to harvest your trees (e.g. sold the cutting rights to your forest), the holder of the cutting right is deemed to be the legal owner of the trees for referendum voting purposes and as such, is the only party eligible to cast a vote in the referendum – not the owner of the underlying forest land.

The same applies to forests owned by Trusts, forests in joint ownership, partnerships etc.

**I own my forest land but have granted the forestry right to another party. Who gets the vote?**

A forestry right grants the legal authority to enter land owned by another party to plant, manage, and harvest trees. Where forest land and forestry rights are owned by different parties, the holder of the forestry right is deemed to be the legal owner of the trees for referendum voting purposes and is eligible to vote – not the owner of the underlying forest land.

**I am not eligible to vote in the current levy referendum and an extenuating circumstance meant I didn't get to vote in the last referendum. Can I cast a vote?**

Where there is uncertainty for any reason as to whether a person is eligible to vote in this referendum, that person may apply to the Forest Growers Levy Trust (FGLT) Board as to that person's voting rights.

Any such application must be received by the Board on or before 14 October 2024 and will be assessed by the Board having regard to the objectives of the Act.

The Board's determination, which shall be final, will be issued no later than **25 October 2024**.

The Board may also, on its own motion and at any time during or after the referendum voting period, decide on a person's eligibility to vote in the referendum.

Contact [admin@fglt.org.nz](mailto:admin@fglt.org.nz) to apply for Special Dispensation.



**Why do I need to declare the net stocked area (ha) in the voting paper?**

All participants casting a vote are required to supply the net stocked area (in hectares) of all their forests, irrespective of whether they own one forest or many, to help determine the level of support for the levy.

Because voting for the Harvested Wood Material Levy is conducted on the basis of land area devoted to the production of wood material (the commodity), voting participants are legally required to disclose the net stocked area as per Section 5 (aj) of the Commodity Levies Act 1990.

For the levy to be renewed it must fulfil two requirements:

1. More than half the votes cast must be in support of the levy; and
2. The total land area (net stocked area in hectares) of supporting participants must be more than half the total land area of all voting participants.

Declaration of the net stocked area enables the election agent to assess fulfilment of point 2 and determine whether support for the levy has been achieved.



**Can I change my vote after I've submitted it?**

No. Once you have cast your vote, you are unable to change or retract it.



**I didn't complete my voting paper correctly. Can I resubmit it?**

No. Any voting paper, be that online or paper based, returned to the returning officer (Research New Zealand) that is incomplete or completed incorrectly will count as a vote against the levy and cannot be resubmitted.



**I missed the deadline for casting my vote. Can I still place my vote?**

No. Any voting paper submitted after the deadline will not be counted.



**What happens if someone that doesn't meet the eligibility criteria casts a vote?**

Any voting paper that is returned by a person who is not eligible to vote will not be counted.



**What if I haven't received a voting pack?**

Please call 0800 500 168 or email [info@forestgrowers.co.nz](mailto:info@forestgrowers.co.nz) with 'Forest Growers Levy Vote – Voting pack' in the subject line to organise for a voting pack to be sent to you.





### **What level of support is required to renew the levy?**

In order for levy to be renewed:

1. Votes in support of the levy must be more than half of all participating votes; and
2. Net stocked area (ha) of supporting votes must be more than half the net stocked area (ha) declared by all voting participants.

This means the vote can't be swayed by a few large forest growers or by a large number of small forest growers who have very few trees overall. It also ensures the vote is a sound representation of many growers, and therefore the majority of the forest growing sector.

If the majority are in support of the levy, then the FGLT can put forward an application to the Minister of Forestry and the Ministry for Primary Industries (MPI) to enforce the new Levy Order.



### **What happens if the vote is unsuccessful?**

If majority support for the levy is not achieved, the levy will cease to exist, and the Forest Growers Levy Trust will be disestablished.

The work programme that the FGLT administers will discontinue and growers will not have a core representative body advocating and advancing sector interests on their behalf.

Growers will also be responsible for funding their own projects and initiatives or finding alternative streams of funding support.



### **How do I know if my feedback on the levy has been captured by the FGLT?**

The Forest Growers Levy Trust has made all efforts to adequately consult with levy payers, potential levy payers, stakeholders and even individuals who may not participate in this year's referendum, to ensure their views were heard and sufficiently represented in the forming of the Levy Order proposal.

Anyone that feels their views on the levy have not been sufficiently represented are encouraged to submit further feedback to the FGLT through [admin@fglt.org.nz](mailto:admin@fglt.org.nz).



### **What can I do if I don't agree with the levy proposal?**

Anyone that feels their views on the levy have not been sufficiently represented, or any person opposing the levy proposal, can provide further feedback to the FGLT or submit their views directly to the Minister of Forestry.





# MORE INFORMATION

There is lots of publicity for the levy referendum to ensure that eligible voters know how and when to vote. The Forest Growers Levy Trust will publish information on the voting process via its website: [www.fglt.org.nz/the-levy/levy-vote-2024](http://www.fglt.org.nz/the-levy/levy-vote-2024).



## Voting

Growers can place their vote from 1–31 October 2024 through the following independent voting website:  
[www.forestvoice.org.nz](http://www.forestvoice.org.nz).



## Legislation

For information on the Commodity Levies (Harvested Wood Material) Order 2019, visit: <https://legislation.govt.nz/regulation/public/2019/0232/9.0/LMS255446.html#LMS255496>

For information on the Commodity Levies Act 1990, visit <https://www.legislation.govt.nz/act/public/1990/0127/latest/whole.html>



## FGLT website

For general information on the levy and more detail on the FGLT work programme, visit: <https://fglt.org.nz/>



## Forest industry e-News:

Growers will also be kept informed on the voting process and outcome through the monthly forest industry e-newsletter.



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