

MEDIA RELEASE



21 April 2020

For more info contact

Jessica Douglas
Director of External Affairs

OneFortyOne
Ph: +61 400 186 293
E: jessica.douglas@onefortyone.com

OneFortyOne business model well placed for COVID-19 challenges

OneFortyOne New Zealand's integrated business model and balanced approach to providing wood fibre products to domestic and export markets has proven its worth, says Executive General Manager – New Zealand, OneFortyOne, Lees Seymour.

"Not only has it been a cornerstone of the way we go about doing business for the past 70 years but it is proving to be important for our ability to respond to COVID-19 in the short term and for the future proofing of our business recovery post COVID-19," says Seymour.

The company will begin replanting 2000 hectares of hill country in the top of the South Island from 25 May 2020, signalling its ongoing confidence in the forestry industry, and its commitment to environmental stewardship while delivering high quality wood products to the domestic market.

Approximately 60 percent of OneFortyOne New Zealand's log harvest is delivered to the domestic market. In addition to owning and operating almost 80,000 hectares of plantation forestry in the Nelson Tasman and Marlborough regions, the company owns and operates Kaituna Sawmill in Marlborough.

OneFortyOne New Zealand's timber customers are dominated by the domestic market (50 percent) followed by Australia, which represents 35 percent of Kaituna Sawmill's customers. Customers in South East Asia receive 15 percent of the Kaituna's processed wood.

"What this means for our business is strong integration with the domestic economy and other New Zealand businesses that support this country's recovery, resilience, and growth," says Seymour.

"It also means we have an existing clear line of sight and deep, functional relationships between those who grow our trees, those who harvest them, those who mill them, and those who market our wood fibre products."

However, Seymour says that the export market has an important role to play in terms of spreading risk due to cyclical downturns in the domestic market.

"It diversifies customer opportunities, offers alternative markets for products that are not in demand from our domestic customers and provides a channel for salvage from fire or pests as well as securing ongoing job opportunities."

The success of that balanced approach to domestic and export markets is evident in the longevity of the OneFortyOne New Zealand business and its direct employment of almost 120 people in Nelson Tasman and Marlborough and the support of a contractor and supplier network of 300 people, says Seymour.

Importantly, the business is founded on the principles of prioritising worker safety, environmental guardianship, and community engagement.

“As an example, we protect the more than 9000 hectares of indigenous vegetation reserves within the plantation, including wetlands, and other forest areas that provide habitat to New Zealand’s fauna and invest more than \$200,000 in community projects every year. That’s important to us and to our community because business success is as much to do with the way a company goes about its business as it is about the results it achieves.”

Seymour believes that as the wider forestry industry approaches challenges posed by COVID-19 it can look to the lessons businesses such as OneFortyOne New Zealand have learned over the years.

“There is a lot of experience and knowledge in our industry that can be constructively supported by work on domestic market development. Now is the time to get alongside one another, share our expertise, and work together to make the most of our industry as a key provider of economic recovery and growth.”

ENDS

About OneFortyOne New Zealand

OneFortyOne is a trans-Tasman business with forests and mills in Australia and New Zealand. Formerly Nelson Forests Limited (NFL), OneFortyOne New Zealand owns and operates almost 80,000 hectares of plantation forest in the Nelson Tasman and Marlborough regions. Included within the plantation forest is 9000 hectares of indigenous vegetation reserves, including wetlands, and other forest areas that provide habitat to New Zealand’s fauna. Approximately 60% of the company’s log harvest is delivered to the domestic market.

For more information about OneFortyOne New Zealand go to:
<https://onefortyone.com/operations/nelson-forests/>