



EVENT BRIEFING

Visit to Nelson, 18 August 2025

Date:	14 August 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0018972

Action sought		
	Action sought	Deadline
Hon James Meager Minister for the South Island	Meet with representatives from Sealord Group Limited. Meet with representatives from Innovative Forestry Specialists Growth Limited. Meet with representatives from OneFortyOne New Zealand Limited. Meet with representatives from Nelson Building Society.	18 August 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Isabel Poulson	General Manager Strategy, Planning and Performance, Kānoa – Regional Economic Development & Investment Unit (Kānoa)	Privacy of natural persons	
Cory Hagenaaars	South Island Lead Advisor, Kānoa	Privacy of natural persons	✓

The following departments/agencies have been consulted

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



EVENT BRIEFING

Visit to Nelson, 18 August 2025

Date:	14 August 2025	Priority:	Medium
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Purpose

To provide background and supporting information for your visit to Nelson on Monday, 18 August 2025, for the following engagements:

- Meet with representatives from Sealord Group Limited.
- Meet with representatives from Innovative Forestry Specialists Growth Limited.
- Meet with representatives from OneFortyOne New Zealand Limited.
- Meet with representatives from Nelson Building Society

Recommendations

The Ministry of Business, Innovation and Employment (MBIE) recommend you:

- a **Note** the information in this briefing is to support your meetings with Sealord Group Limited, Innovative Forestry Specialists Growth Limited, OneFortyOne New Zealand Limited and Nelson Building Society.

Noted

Isabel Poulson
General Manager Strategy, Planning and Performance
Kānoa – Regional Economic Development & Investment Unit, MBIE

14 / 08 / 2025

Hon James Meager
Minister for the South Island

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Summary

1. On Monday, 18 August 2025, you are visiting Nelson. A summary itinerary is below.

Time	Activity
9.30am–11.00am	Meet with representatives from Sealord Group Limited (Sealord) to discuss fisheries reform and biofouling.
11.15am–11.45am	Meet with representatives from Innovative Forestry Specialists Growth Limited (IFS Growth) to discuss exotic and indigenous forest opportunities.
3.15pm–3.45pm	Meet with representatives from OneFortyOne New Zealand Limited (OneFortyOne) to discuss their opportunities and challenges, and your priorities for the South Island portfolio. As part of your meeting, you will also view their Nelson plantation and processing operations.
3.45pm–4.15pm	Meet with representatives from Nelson Building Society.

2. Venue and logistical details are being coordinated by your office, and they will provide this information once confirmed.
3. Information to support your meeting with Sealord is attached at **Annex One**.
4. Information to support your meeting with IFS Growth is attached at **Annex Two**.
5. Information to support your meeting and visit with OneFortyOne is attached at **Annex Three**.
6. Information to support your meeting with Nelson Building Society is attached at **Annex Five**.

Annexes

Annex One: Meeting with Sealord Group Limited

Annex Two: Meeting with Innovative Forestry Specialists Growth Limited

Annex Three: Meeting and visit with OneFortyOne New Zealand Limited

Annex Four: Recent ministerial announcements relating to the seafood and forestry sectors

Annex Five: Meeting with Nelson Building Society

Annex One: Meeting with Sealord Group Limited

1. From 9.30am to 11.00am, you will meet with representatives from Sealord Group Limited (Sealord).
2. The purpose of the meeting is to discuss fisheries reform and biofouling.
3. Venue and logistical details are being coordinated by your office, and they will provide this information once confirmed.

Background

4. Sealord was established in 1961 and is one of New Zealand's largest seafood companies, employing over 1,550 people in New Zealand and 200 in Australia. The company operates seven deep-sea fishing vessels and runs extensive operations in Nelson including wet fish and coated product factories, a fishmeal plant, and export logistics. Sealord also has aquaculture interests in Tasmania through its subsidiary, Petuna Aquaculture.
5. Sealord are jointly owned by Moana New Zealand representing 57 iwi, and by Japanese seafood company, Nissui¹.
6. In 2023, Sealord acquired Independent Fisheries Limited, making it the largest seafood company in New Zealand by revenue. Information on the acquisition has been provided to you previously (briefing REQ-0013225 refers).
7. Sealord has signed long-term agreements with iwi groups under the 'Ngā Tapuwae o Māui' partnership, enabling access to quota from 36 iwi and returning them over 80 per cent of profits. The arrangement supports training, employment, and deeper iwi involvement in fisheries management.
8. Sealord's global catch (include hoki, orange roughy, dory, and ling) totals approximately 156,000 tonnes, including around 130,000 tonnes under its individual transferable quota. This is processed into products such as frozen fillets or smoked and canned seafoods, as well as fishmeal and fish oil derived from processing by-products (which are used in animal feed, cosmetics, and fertiliser). Over 90 per cent of its products are exported to over 40 countries.
9. In its 2024 Annual Report, Moana New Zealand (Sealord's parent company) reported that its share of Sealord's profit for the year ending 30 September 2024 was NZ\$26.79 million, compared to a loss of NZ\$2.04 million for the year ending 30 September 2023.
10. In September 2024, the Government committed over \$2.00 million in funding to Sealord to support innovation in sustainable seafood production through the Ministry for Primary Industry's Sustainable Food and Fibre Futures fund. The funding is aimed at enabling Sealord to develop new products derived from fish waste, enhancing resource efficiency and reducing environmental impact.
11. Recent ministerial announcements relating to the seafood sector are attached at **Annex Four**.

¹ This ownership structure stems from the Treaty of Waitangi Fisheries Settlement Act 1992.

Seafood and aquaculture sector background

Seafood sector overview

12. The seafood industry generates approximately \$5.2 billion in economic output annually and employs more than 16,500 people, with aquaculture specifically employing over 3,000 people.
13. Despite a projected three per cent drop in wild capture volumes, the seafood sector's export revenue is expected to grow by two per cent, reaching \$2.2 billion for the year ending 30 June 2025.
14. New Zealand's largest seafood exports are rock lobster, hoki, mussels, squid, ling, and orange roughy. Other notable exports include salmon, jack mackerel, warehou, and snapper.
15. In the year to 31 March 2025, the top four export markets were China (31 per cent), United States (18 per cent), the European Union (16 per cent), and Australia (11 per cent).

Biofouling is a significant challenge for New Zealand's seafood sector

16. Biofouling refers to the accumulation of marine organisms on vessel hulls and submerged surfaces and is the primary pathway for introducing non-indigenous marine species into New Zealand.
17. These species pose serious risks to native biodiversity, aquaculture, and marine ecosystems. For example, invasive species such as the Mediterranean fanworm, threaten native marine life and aquaculture operations. They form dense colonies that outcompete native species for food and space, potentially affecting commercially important species like mussels, oysters, and scallops.
18. Biofouling caused by these organisms causes drag which increases fuel consumption by up to 30 percent and elevates greenhouse gas emissions.
19. In 2024, 86 vessels in New Zealand failed biofouling assessments. Nearly 55 per cent of these failures were due to insufficient documentation or biofouling levels exceeding the Craft Risk Management Standard (CRMS) threshold. All non-compliant vessels received Notices of Direction, requiring actions such as itinerary changes or hull cleaning. This was a reduction from 119 notices issued in 2023, indicating improved compliance across the sector.
20. This improvement is partly attributed to the revised CRMS for Vessels, which has been in effect since October 2023 and requires all international vessels to arrive with a clean hull. As of 1 May 2025, vessels must also submit a Biosecurity Pre-Arrival Report at least 48 hours before entering New Zealand waters.

Aquaculture sector overview

21. New Zealand's aquaculture sector generates over NZ\$650.00 million in annual export revenue and provides employment for thousands in regional and coastal communities. The industry is centred around three key species – Greenshell mussels, Pacific oysters, and King salmon – of which New Zealand is the world's largest producer.
22. In the year to 31 March 2025, the top four export markets were the United States of America (44 per cent), China (11 per cent), the European Union (11 per cent), and Australia (8 per cent).
23. The South Island is the centre of New Zealand's aquaculture industry, with around 70 per cent of marine aquaculture concentrated in areas such as Pelorus Sound, Tasman Bay, and Golden Bay. Marlborough alone produces over 50 per cent of New Zealand's farmed salmon.
24. Information on the aquaculture sector in Te Taihū has been provided to you previously (briefing REQ-0008454 refers).

25. The Government has set a target to grow the aquaculture industry to \$3.0 billion in annual sales by 2035 as part of the Fit for a Better World Roadmap, positioning it as a key contributor to a high-value economy and supporting job creation. To achieve this growth, the Government is focusing on three key areas:
- Maximising value from existing farm space through innovation and commercialisation of high-value products like mussel oil and salmon extracts.
 - Expanding into open ocean farming, leveraging New Zealand's vast exclusive economic zone.
 - Supporting land-based aquaculture and hatchery development to improve resilience and productivity.
26. This initiative aligns with the Government's 'Going For Growth' approach, particularly under the pillar of 'Promoting Global Trade and Investment' and it supports exporters to grow their offshore markets, creating more jobs and opportunities. It also aligns with your strategic priorities of doubling South Island exports and increasing its contribution to GDP.

Government initiatives in the seafood sector

Changes to the Fisheries Act 1996

27. On 6 August 2025, the Minister for Oceans and Fisheries, Hon Shane Jones, announced a set of proposed amendments to the *Fisheries Act 1996*. These include:
- **Catch Limit Management:** Enable the Minister for Oceans and Fisheries to set multi-year catch limits for up to five years in a single decision. This change aims to provide greater certainty and reduce regulatory churn.
 - **Environmental and Operational Separation:** The reforms introduce a clearer distinction between decisions about catch limits and those addressing broader environmental effects of fishing. This separation is intended to improve governance efficiency and clarify the scope of fisheries management versus environmental regulation.
 - **Onboard Camera Programme:** Footage from onboard cameras will be exempt from the Official Information Act to protect privacy and commercial sensitivity. However, summaries and key data derived from footage, such as protected species interactions, will still be published. The reforms also clarify when cameras must operate and provide exemptions for certain vessel types, such as small boats and specific longliners.
 - **Landing and Discard Rules:** A new provision will allow monitored returns of quota species if vessels are equipped with cameras or observers. The reforms also remove 18 existing landing exceptions to simplify compliance and allow the Minister to approve deliberate releases at depth using gear that improves fish survival.
 - **Legal and Administrative Improvements:** The reforms include provisions for increased Annual Catch Entitlement to carry-forward in exceptional circumstances and introduce time limits to reduce legal challenges to key decisions. These changes are designed to streamline administration and reduce uncertainty for stakeholders
28. Officials are preparing draft legislation which is expected to be passed into law in 2026.

Annex Two: Meeting with Innovative Forestry Specialists Growth Limited

1. From 11.15am to 11.45am, you will meet with representatives from Innovative Forestry Specialists Growth Limited (IFS Growth).
2. The purpose of the meeting is to discuss opportunities from exotic and indigenous forests.
3. Venue and logistical details are being coordinated by your office, and they will provide this information once confirmed.

Background

4. IFS Growth is a New Zealand-owned forestry investment and management company, and has been operating since 2001. Headquartered in Gore, Southland, it also has regional offices in Nelson, Marlborough and Invercargill, and employs over 400 staff and contractors in New Zealand.
5. IFS Growth provides forest management, investment advisory, and consultancy services to landowners, fund managers and investors globally.
6. The company is active in carbon forestry, registering and trading carbon credits under the Emissions Trading Scheme to support New Zealand's climate goals.
7. Recent ministerial announcements relating to the forestry sector is attached at **Annex Four**.

About the audience

8. Biographies of attendees are below

	<p>Dan Minehan, Managing Director, IFS Growth</p> <p>Dan is the Managing Director and Founder of IFS Growth. He is a third-generation forester and has over 30 years of industry experience.</p>
	<p>Brendan Horrell, Regional Development Manager, IFS Growth Limited</p> <p>Brendan has been Regional Development Manager at IFS Growth Limited since late 2022. He is a forestry professional with over two decades of experience in both indigenous and exotic forest management across New Zealand.</p> <p>Prior to joining IFS Growth, Brendan served as the Branch Manager for PF Olsen Ltd in Nelson.</p>
No image available	<p>Guy Salmons, Consultant, IFS Growth</p> <p>No biography information available</p>

Forestry sector background

Forestry sector overview

9. New Zealand's forestry and wood processing sector is a major contributor to the economy, with export earnings expected to reach \$6.3 billion in the 2024–2025 year, representing a nine per cent increase.
10. For the year ending March 2023, an estimated 42,589 people were employed in New Zealand's forestry sector.
11. New Zealand's major forestry products include logs and wood chips, sawn timber, wood pulp, paper and paperboard, and panel products.
12. Forestry and wood products are New Zealand's fourth-largest food and fibre export earner, behind horticulture. As of April 2024, the country's planted production forest covers 1.79 million hectares, with an average forest age of 18.7 years. Radiata pine dominates the landscape, accounting for 91.0 per cent of the planted estate.
13. The major export markets for New Zealand's forestry products in the year ended 2025 were China (NZ\$3.39 billion), Australia (NZ\$0.58 billion), the United States of America (NZ\$0.43 billion), South Korea (NZ\$0.38 billion), and Japan (NZ\$0.33 billion).
14. As at September 2022, over 60.0 per cent of harvested wood was exported as unprocessed logs, while only 15.0 per cent was exported as value-added wood products – yet this smaller share accounted for over 40.0 per cent of total export revenue, highlighting the potential for increased domestic processing.
15. Between 2019 and 2023, the forestry sector declined by 27.8 per cent. This has been attributed to weakening demand from China and a sluggish domestic market for forestry products, both partly due to the COVID-19 pandemic. In addition, uncertainty surrounding the Emissions Trading Scheme (ETS) and the aftereffects of Cyclone Gabrielle in 2022 led to a significant drop in planting. These factors combined have contributed to the sector's overall decline.

The forestry sector faces challenges from shifting from pastoral farming to forestry and slash management

16. There is rapid shift from pastoral farming to forestry, largely driven by carbon credit incentives. This has led to the conversion of over 300,000 hectares of farmland since 2017, impacting rural employment and community viability. The Government is taking a number of measures including introducing restrictions under the Emissions Trading Scheme (ETS). However, despite these measures, concerns persist around enforcement and long-term land-use impacts.
17. Slash management has been another challenge for the forestry sector. Slash from harvesting operations poses serious environmental risks, especially in erosion-prone regions. Events like Cyclone Gabrielle highlighted the damage caused by unmanaged debris. Challenges include:
 - High removal costs.
 - Limited biomass markets.
 - Difficult terrain.
18. Updates to the National Environmental Standards for Commercial Forestry (NES-CF) will ensure that there are slash risk assessments and operational standards, helping reduce the environmental and safety risks associated with forestry slash, particularly during harvesting and post-harvest operations.

South Island and Te Taihū

19. In 2023, the South Island contained 29.0 per cent of New Zealand's planted forestry, covering an area of 517,765 hectares. At this time, the Nelson/Marlborough region accounted for 9.0 per cent of New Zealand's planted forestry, with an area of 167,972 hectares. This makes Nelson/Marlborough a significant contributor to the South Island's forestry industry, being the second-largest region after Otago/Southland, and comprising 32.4 per cent of the South Island's planted forestry area.
20. In the year ending March 2023, the forestry sector contributed \$235.00 million (three per cent) to the Nelson-Tasman region's gross domestic product (GDP). Nationally, forestry contributed \$7.6 billion to GDP in the year ending March 2024, accounting for two per cent of the total. Of the wood produced in Nelson-Tasman, 55.2 per cent was exported and 44.8 per cent used domestically.
21. In late June 2025, severe wet weather and flooding affected the Tasman, Nelson, and Marlborough regions, causing significant damage to the forestry sector. In response, the Government announced a \$600,000 support package for flood-affected foresters and rural contractors in the Nelson-Tasman region. This included \$300,000 for the Mayoral Relief Fund, \$100,000 for the Farmers Adverse Events Trust, and \$100,000 to support coordination efforts. The other \$100,000 was to help the horticulture sector across the top of the South Island. The funding was intended to meet immediate recovery needs and assist forestry businesses in managing the impacts of the severe weather.

Forestry contribution to economic growth

22. As part of the Government's efforts to strengthen forestry and wood processing, Te Uru Rākau New Zealand Forest Service is focused on boosting domestic processing, supporting value-added production, and removing trade barriers. These initiatives aim to improve productivity, drive economic growth, and deliver benefits to regional communities. With their key objectives being to create more high-paid jobs, improve productivity, and build sector resilience.
23. Success will be measured through four pillars: fostering collaboration and skills across the sector; ensuring sustainable forest growth and supply; modernising local wood processing to boost regional economies; and expanding into high-value and diverse export markets to strengthen resilience and seize new opportunities.

Climate Change Response (Emissions Trading Scheme, Forestry Conversion) Amendment Bill

24. In response to concerns about the impact of pastoral land conversion on rural employment and community viability, the Government has introduced restrictions under the Emissions Trading Scheme (ETS). Key measures include:
 - Restricting conversions of pastoral farmland to exotic forestry registered under the ETS on land classified as high to medium versatility, specifically Land Use Capability (LUC) classes 1 to 6.
 - Limiting exotic forestry conversions on LUC class 6 land to a maximum of 15,000 hectares per year.
 - Allocating the annual 15,000-hectare limit for LUC class 6 land through a ballot process, with a reserved quota for small block holders. The first ballot is proposed for mid-2026.
 - Allowing up to 25 per cent of a farm's LUC class 1 to 6 land to be planted in exotic forestry under the ETS, preserving farmer flexibility.

- Protecting specific categories of Māori-owned land in line with Treaty of Waitangi obligations.
- Providing transitional exemptions for individuals who commenced afforestation before the policy announcement on 4 December 2024.
- Requiring applicants for transitional exemptions to provide evidence of qualifying forestry investments made between 1 January 2021 and 4 December 2024.
- Excluding investments initiated after 4 December 2024 from ETS registration eligibility.
- Requiring applicants to show that the investment relates specifically to LUC class 1 to 6 land intended for ETS registration.
- Recording the 25 per cent exotic forestry limit on LUC class 1 to 6 land against property titles to prevent further planting through subdivision.

Annex Three: Meeting and visit with OneFortyOne New Zealand Limited

1. From 3.15pm to 3.45pm, you will meet with representatives from OneFortyOne New Zealand Limited (OneFortyOne) and visit their Nelson plantation and processing operations.
2. The purpose of the meeting is to discuss your priorities for the South Island portfolio, the company's opportunities and challenges, and how the forestry and wood processing sectors can further support regional growth.
3. Venue and logistical details are being coordinated by your office, and they will provide this information once confirmed.

Background

4. OneFortyOne is a forestry company operating across New Zealand and Australia, with South Island operations spanning 80,000 hectares of plantation forests in the Nelson and Marlborough regions, along with the Kaituna Sawmill. Valued at \$3.6 billion, the company generated \$584.00 million in revenue for the financial year ending 30 June 2024.
5. In 2024, the New Zealand market accounted for 46 per cent of OneFortyOne's timber sales, with the remaining 54 per cent exported to markets including Australia and Southeast Asia.
6. OneFortyOne actively partners with Ngāti Toa, Ngāti Tama, and Te Ātiawa to manage iwi-owned forest estates in Te Tau Ihu.
7. In 2022, it made a \$20.00 million advanced rental payment to Ngāti Toa iwi to help establish the Toa Rangatira Environmental Social Governance Fund, which supports Ngāti Toa's infrastructure investment goals across social housing, education, health, social services, and living timber initiatives.
8. OneFortyOne aims to reduce its emissions by 75 per cent by 2030 and achieve net zero emissions by 2050.
9. Information regarding the forestry sector is included in **Annex Two**.
10. Recent ministerial announcements relating to the forestry sectors are attached at **Annex Four**.

Annex Four: Recent ministerial announcements relating to the seafood and forestry sectors

Trade and Investment

1. On 4 July 2025, the Minister for Trade and Investment, Hon Todd McClay, announced a Government investment of \$455,000 from the Primary Sector Growth Fund to support a \$1.20 million project led by global aquafeed company Skretting. The project will develop specialised feed for King salmon, tailored to New Zealand's conditions, to support open ocean farming and reduce production costs.
Source: [Backing innovation to grow King salmon exports | Beehive.govt.nz](#)
2. On 24 June 2025, the Minister for Trade and Investment, Hon Todd McClay, announced an additional Government investment of \$150,000 to support implementation of the World Trade Organization (WTO) Fisheries Subsidies Agreement, bringing New Zealand's total contribution to \$310,000. The Agreement, ratified by 102 WTO members, bans subsidies that support illegal, unreported, and unregulated (IUU) fishing, fishing of overfished stocks, and unregulated high seas fishing. It promotes fair competition for New Zealand exporters and supports the sustainability of global fish stocks, particularly in the Pacific region.
Source: [Backing fair trade and healthy oceans | Beehive.govt.nz](#)
3. On 13 June 2025, the Minister for Trade and Investment, Hon Todd McClay, announced that the Government is strengthening forestry trade with India, which is now one of New Zealand's fastest-growing export markets. Wood exports to India have increased from NZ\$9.50 million in 2023 to an estimated NZ\$76.50 million in 2025. Pulp exports have more than doubled to NZ\$45.60 million. To build on this growth, New Zealand will host an Indian forestry delegation and lead a ministerial trade mission to India. These initiatives aim to deepen partnerships, remove trade barriers, and improve export returns.
Source: [Stronger forestry ties with India driving export growth | Beehive.govt.nz](#)
4. On 27 May 2025, the Minister for Trade and Investment, Hon Todd McClay, announced that the Government has signed a new Cooperation Arrangement with Vietnam to grow timber exports and remove trade barriers. The agreement will see New Zealand's radiata pine recognised under Vietnam's evolving timber construction standards, opening up new opportunities in a rapidly expanding market. This move is expected to significantly boost the NZ\$48.00 million worth of sawn timber currently exported to Vietnam and contribute to the growth of the NZ\$2.68 billion two-way trade relationship.
Source: [Timber exports to Viet Nam set to grow | Beehive.govt.nz](#)

Oceans and Fisheries

5. On 12 June 2025, the Minister for Oceans and Fisheries, Hon Shane Jones, announced that New Zealand's aquaculture sector has recorded a 13 per cent increase in export revenue, reaching a projected NZ\$650.00 million for the year ending 30 June 2025. Growth has been driven by higher production of premium products such as mussels and salmon. The sector is a key contributor to regional employment and economic development, with a Government target of NZ\$3.0 billion in annual revenue by 2035. To support this, the Government is extending marine consents, including open-ocean aquaculture under the Fast-track Approvals Act, and investing NZ\$11.72 million in a national open-ocean aquaculture project. Overall seafood exports are forecast to rise by two per cent to NZ\$2.2 billion, with record per-kilogram prices helping to offset a slight drop in volume.
Source: [Double-digit growth for aquaculture exports | Beehive.govt.nz](#)
6. On 20 April 2025, the Minister for Oceans and Fisheries, Hon Shane Jones, announced that new commercial fish landing rules will come into force on 1 May 2025. These rules will allow

certain live species to be legally returned to the sea under specific conditions. The changes apply to southern bluefin tuna, legal-sized pāua, and Bluff oysters, provided they are alive and likely to survive. The new rules aim to reduce unnecessary red tape and support sustainability by keeping viable fish within spawning populations.

Source: [New commercial fish-landing rules come into force | Beehive.govt.nz](#)

7. On 27 March 2025, the Minister for Oceans and Fisheries, Hon Shane Jones, announced that Parliament had passed the Fisheries (International Fishing and Other Matters) Amendment Bill, strengthening New Zealand's ability to combat illegal, unreported, and unregulated (IUU) fishing on the high seas. The legislation enhances powers to investigate and act against suspected illegal fishing beyond New Zealand's Exclusive Economic Zone and improves regulation of New Zealand vessels operating internationally. Key changes include clearer permitting rules, stronger enforcement tools, and expanded oversight of international fishing activities.

Source: [New law targets illegal fishing in the high seas | Beehive.govt.nz](#)

8. On 18 April, the Minister for Oceans and Fisheries, Hon Shane Jones, announced that the Government has invested \$0.41 million over three years to a project led by the Marine Farming Association in partnership with University of Auckland, Coromandel Marine Farmers' Association, Aquaculture New Zealand, Greenshell Spat Co, and Sanford to increase survival rates. This was in response to reports that the mussel farming industry is being affected by low spat (juvenile mussels) survival rates during transfer to farms, which has led to empty crop lines and reduced productivity.

Source: <https://www.beehive.govt.nz/release/government-backing-mussel-spat-project>

Forestry

9. On 18 December 2024, the Minister of Forestry, Hon Todd McClay, announced that the Government has released a Request for Information (RFI) seeking partnerships to plant trees on Crown-owned land with low farming and conservation value, excluding National Parks. The initiative aims to drive regional economic growth by creating forestry jobs, increasing wood supply for domestic processing, and boosting export value. The RFI invites interest from domestic and international partners for commercial, carbon, and biodiversity planting. It seeks feedback on partnership models, contractual arrangements, and barriers to planting.

Source: [Government seeks partnerships to plant trees on Crown-owned-land | Beehive.govt.nz](#)

National Environmental Standards for Commercial Forestry Reform

10. On 29 May 2025, the Minister of Forestry, Hon Todd McClay, announced proposed changes to the *National Environmental Standards for Commercial Forestry Reform (NES-CF)* to reduce regulatory barriers and ensure national consistency. Key proposals include:
 - Tightening the conditions under which councils can override national standards.
 - Repealing broad council discretion for afforestation rules.
 - Introducing a Slash Mobilisation Risk Assessment to manage harvest debris and storm-related risks.
 - Clarifying and simplifying NES-CF regulations to reduce duplication and improve clarity.

Source: [Government backs commercial forestry with practical rule changes | Beehive.govt.nz](#)

Annex Five: Meeting with Nelson Building Society

1. From 3.45pm to 4.15pm, you will meet with representatives from Nelson Building Society.
2. Venue and logistical details are being coordinated by your office, and they will provide this information once confirmed.

Background

3. Nelson Building Society (NBS) was established in 1862, and is New Zealand's oldest building society. It was originally founded to address housing shortages by enabling community members to pool resources for land and home ownership.
4. Building societies are mutual financial institutions owned by members rather than shareholders. NBS operates as a mutual entity under the Building Societies Act 1965, which enables them to reinvest profits into enhancing services and supporting local communities, rather than distributing dividends.
5. NBS has eight locations² and serves over 20,000 clients across the South Island, offering a range of personal, business, and community banking services including business lending, and a KiwiSaver fund.
6. To date, NBS has invested \$3.60 million into its local communities, supporting organisations such as the Motueka Waka Ama Club and Victory Boxing. Each year, NBS also backs hundreds of grassroots sports clubs and associations, along with initiatives in the arts, health, wellbeing and environmental sustainability.

Recent challenges facing the building societies sector

Legislative challenges

7. In recent years, building societies in New Zealand have faced increasing regulatory pressures due to legislative reforms aimed at modernising the financial services sector. A key development has been the *Regulatory Systems (Economic Development) Amendment Act 2025*, which introduced significant amendments to the *Building Societies Act 1965* including:
 - stricter governance standards
 - enhanced financial reporting obligations and updated capital adequacy requirements
 - stronger risk management requirements.
8. Building societies in New Zealand that accept deposits are also regulated as Non-Bank Deposit Takers (NBDTs) under the *Deposit Takers Act 2023*, which replaces earlier legislation to create a unified framework for all deposit takers. The Act introduces stricter prudential standards, governance rules, and fit-and-proper requirements for Directors. A significant feature is the Depositor Compensation Scheme, launched on 1 July 2025, which enables the protestation of eligible deposits up to \$100,000 per institution and is expected to boost public confidence in regional providers.
9. As of March 2025, the *Financial Markets (Conduct of Institutions) Amendment Act 2022* requires NBDTs to hold a financial institution license if they serve New Zealand consumers.
10. Recent legislative reforms have significantly increased compliance demands on building societies, particularly smaller ones with limited administrative capacity. While intended to

² Nelson, Richmond, Motueka, Murchison, Westport, Greymouth, Tākaka, and Ashburton.

align these institutions more closely with banks and credit unions, the growing regulatory burden may threaten their long-term viability, potentially prompting consolidation or conversion to bank status.

11. This trend mirrors earlier sector consolidation, such as the formation of Heartland Bank in 2011, and the transition of Southland Banking Society (SBS) and the Public Service Investment Society (PSIS) to registered banks (SBS Bank and The Co-operative Bank respectively).

Competition from the banking sector

12. New Zealand has 27 registered banks, with four large Australian owned banks that collectively have 84 per cent market share as of September 2024. This concentration of the banking sector has made it harder for building societies to compete on pricing, technology, and service reach due to the scale, brand recognition, and digital infrastructure of major banks. As a result, some have been pressured to consolidate, convert to bank status, or narrow their service offerings.
13. Despite efforts to improve competition in the banking sector, a 2025 Consumer NZ study showed that fewer than three per cent of New Zealanders switch banks annually, one of the lowest rates across service sectors. This potentially limits growth opportunities for building societies.

Building societies in New Zealand compared with other countries

14. Building societies first emerged in Britain in the late 1770s to help working-class people buy or build their own homes. Similar societies were later established across other Commonwealth countries, including Australia and New Zealand.

New Zealand

15. Building societies in New Zealand are small, regionally focused mutual institutions that prioritise community engagement and member ownership. They focus on residential lending, term deposits, and community reinvestment. They also put emphasis on the importance of face-to-face service and local decision-making. Over the past few decades, several building societies in New Zealand have consolidated or transitioned into banks.

Great Britain

16. In Great Britain, building societies remain a prominent part of the financial landscape. Like those in New Zealand, they are member-owned but are larger. They hold a significant share of the United Kingdom mortgage and deposit markets and operate under a regulatory framework overseen by the Prudential Regulation Authority and the Financial Conduct Authority. Their strong community involvement is often supported by charitable foundations and national outreach initiatives.

Australia

17. In Australia, most building societies have either converted into banks or merged with larger institutions. While a few, like Newcastle Permanent, still operate, they are regulated under the same standards as banks, leading to a decline in mutual ownership and community focus.

About the audience

18. A biography of the attendee is below.



Gina Dellabarca, Chief Executive, Nelson Building Society

Gina is a business leader with over 20 years in retail and business banking. She joined NBS in 2024 after holding senior roles at Westpac New Zealand. This included seven years on the executive leadership team where she oversaw Human Resources, Corporate Affairs, Consumer Banking, and Wealth.