



AGENDA

Ordinary meeting of the

Forestry Advisory Group

Tuesday 10 September 2019

Commencing at 4.00p.m.

Ruma Mārama, Floor 2A

Civic House

110 Trafalgar Street, Nelson

**Pat Dougherty
Chief Executive**

Membership: Mr John Murray (Chairperson), Her Worship the Mayor Rachel Reese, Councillor Luke Acland, Mr Alec Louverdis and Mr Peter Gorman

Quorum: 4 – comprising the Chair and one elected member (decision makers), plus one Council officer and the independent forestry expert (for advice only)

Nelson City Council Disclaimer

Please note that the contents of these Council and Committee Agendas have yet to be considered by Council and officer recommendations may be altered or changed by the Council in the process of making the formal Council decision.

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Order 12.1:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee

It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the room for discussion and voting on any of these items.

1. Apologies

- 1.1 An apology has been received from Councillor Acland

2. Confirmation of Order of Business**3. Interests**

- 3.1 Updates to the Interests Register
- 3.2 Identify any conflicts of interest in the agenda

4. Public Forum**5. Confirmation of Minutes**

- 5.1 30 July 2019 **5 - 7**

Document number M4372

Recommendation

That the Forestry Advisory Group

- 1. Confirms the minutes of the meeting of the Forestry Advisory Group, held on 30 July 2019, as a true and correct record.***

6. Forestry Update - Number 9 - September 2019 **8 - 32**

Document number R10380

Recommendation

That the Forestry Advisory Group

- 1. Receives the report Forestry Update - Number 9 - September 2019 (R10380) and its Attachments (A2256013, A2255860, A2257694, A2253872, A2251919 and A2251918); and***

2. **Receives the fire risk assessment of forestry assets (A2256013) of Report R10380; and**
3. **Notes the fire risk assessment undertaken on Parks and Reserves assets (A2255860) of Report R10380.**



Minutes of a meeting of the Forestry Advisory Group

Held in the Ruma Mārama, Floor 2A, Civic House, 110 Trafalgar Street, Nelson

On Tuesday 30 July 2019, commencing at 3.06p.m.

Present: Mr J Murray (Chairperson), Her Worship the Mayor R Reese, Mr A Louverdis and Mr P Gorman

In Attendance: Councillor Ian Barker, Environmental Programmes Advisor (S Moore-Lavo); Lachie Grant (LandVision); Sam Nuske, Johan Visscher and Mitch White (PF Olsen Ltd) and Governance Adviser (J Brandt)

Apology: Councillor Acland

1. Apologies

Resolved FAG/2019/009

That the Forestry Advisory Group

1. Receives and accepts an apology from Councillor Acland.

Murray/Her Worship the Mayor

Carried

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. Confirmation of Minutes

4.1 4 April 2019

Document number M4133, agenda pages 4 - 9 refer.

Resolved FAG/2019/010

That the Forestry Advisory Group

- 1. Confirms the minutes of the meeting of the Forestry Advisory Group, held on 4 April 2019, as a true and correct record.***

Murray/Her Worship the Mayor

Carried

5 Forestry Update - Number 8 - July 2019

Document number R10117, agenda pages 10 - 26 refer.

Group Manager Infrastructure, Alec Louverdis, presented the report. He provided an update about the engagement process undertaken with residents in the Tantragee, about the envisaged timeline for harvesting, noting that it was likely to be undertaken in 2020.

Mr Grant of LandVision tabled a document (A2239690) and answered questions about fire risk assessments matrix undertaken for Parks and Reserves.

The Group agreed that the matrix and definitions presented were suitable to assess forest blocks close to the city, and that where there were overlaps with assessments carried out for parks and reserves, the Group would like to see the information.

Environmental Programmes Adviser, Susan Moore-Lavo, answered questions about the regional forestry role, noting the appointment of Brad Chandler to the role and that the regional approach was envisaged to improve consistency across the Top of the South.

PF Olsen gave a Powerpoint presentation updating the Group on the log market in general, and the situation particular to Nelson. Mr Nuske outlined impacts of the downturn for Nelson and the value recovery achieved through management strategies.

PF Olsen noted the tending and pruning regime used in Nelson City Council forests. It was noted that in order to ensure maximum fire risk mitigation, consideration would be given whether to prune or not to prune as part of the fire risk mapping to be undertaken.

Mr Louverdis tabled two documents, the Tree Crop Valuation 2018 (A2235770) and the Tree Crop Valuation 2019 (A2235775). He noted that, in summary, the value of Nelson City Council forestry blocks had gone up by approximately \$180K.

Resolved FAG/2019/011

That the Forestry Advisory Group

- 1. Receives the report (R10117) and its Attachments (A2199402, A2214620 and A2209414); and***
- 2. Approves the 0.5 Ha Douglas Fir block in Marsden Valley (44.01) not be harvested.***

Her Worship the Mayor/Murray

Carried

Attachments

- 1 A2239690 - Fire risk assessment criteria
- 2 A2239156 - PF Olsen Powerpoint presentation
- 3 A2235770 - Tree Crop Valuation 2018
- 4 A2235775 - Tree Crop Evaluation 2019

There being no further business the meeting ended at 4.36p.m.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Forestry Update - Number 9 - September 2019

1. Purpose of Report

- 1.1 To provide an update to the Forestry Advisory Group (Group) on forestry activities since Council adopted the Forestry Review recommendations in September 2016 and since the July 2019 update.

2. Recommendation

That the Forestry Advisory Group

- 1. Receives the report Forestry Update - Number 9 - September 2019 (R10380) and its Attachments (A2256013, A2255860, A2257694, A2253872, A2251919 and A2251918); and***
- 2. Receives the fire risk assessment of forestry assets (A2256013) of Report R10380; and***
- 3. Notes the fire risk assessment undertaken on Parks and Reserves assets (A2255860) of Report R10380.***

3. Update

Douglas Fir Harvesting and Poisoning

- 3.1 Update is detailed below. Only outstanding items are shown in the table.

block/stand/species/area	Status
Brook/22.08/D Fir/3.4Ha	Programmed for late Oct to Dec 2019.
Maitai/9.01/D Fir/4.3Ha	Group resolved in Sept 2018 to consider harvesting the remaining 3Ha in 2022 & to re-plant the rest of the block in radiata.
Marsden/42.06/D Fir/20.3Ha	Group resolved that this block not be cleared until the trees can be commercially harvested around 2027 with a review in 2022.

Brook Block 21/04

Group resolutions	Progress
Approves the felling to waste of the remaining Brook block 21/04 adjoining the BWST.	All work is complete.

Tantragee Block (Brook) harvesting

- 3.2 The Group resolved in April 2019 as follows:

"Approves a site-specific harvesting option in principle (A2171177) with respect to the Tantragee Block that will allow consultation with the residents to commence, noting that the final plan will be presented to the Forestry Advisory Group"

- 3.3 Poisoning of trees for stage one is complete with stage 2 to commence in the winter of 2020.
- 3.4 Following the initial public consultation meeting with residents on 27 May and several follow up meetings to discuss hours of work, PFOlsen developed and presented a harvesting plan for Zone 4 to residents on 28 August 2019. A harvesting date has been tentatively set for January 2020.
- 3.5 The removal of several trees requested by two of the residents is planned to be undertaken in September. One tree is very close to powerlines and requires co-ordination with the utility operator.

Tasman Pine Forests and Waahi Taakaro harvesting

- 3.6 The small area of Council owned forest adjacent to the Waahi Taakaro golf club has yet to be harvested by Tasman Pine Forests as part of their larger block.

Fire Risk

- 3.7 The Group requested, following the recent Pigeon Valley fires, that an assessment be made of Nelson's forestry assets with respect to the fire risk. Refer to Attachment 1.
- 3.8 The Group also noted the work done on non-forestry estates (parks and reserves) and requested that they be provided a summary of that assessment. Refer to Attachment 2.

Health and Safety

- 3.9 A SWO with the entire Group is planned for the afternoon of 10 September before this meeting in the Maitai block.

Finance

- 3.10 Harvesting net revenue for the year was \$784,496 against the full year budget of \$1,959,973. Refer to Attachment 3 – PF Olsen Annual report ending 30 June 2019.
- 3.11 An updated summary of Council budgets is appended as Attachment 4.

4. Harvesting Plans

- 4.1 Schedule of harvesting:
 - 4.1.1 Maitai – late August until late October 2019.
 - 4.1.2 Brook – late October to end December 2019. PF Olsen will be liaising with the NMTBC for their International Aorere Enduro event scheduled for 26-28 October 2019.
 - 4.1.3 Tantragee – January 2020.
- 4.2 On the back of moving in a crew to harvest the area in the Maitai, PF Olsen will also be harvesting the four small blocks in the Brook (see item 4.1.2) as follows (refer to Attachment 5):
 - 4.2.1 Block 22/08 – Harvesting using hauler and existing skid site. Public walkway and swimming hole will need closing.
 - 4.2.2 Block 22/02 - Harvesting using hauler and existing skid site. Minimal recreational impacts.
 - 4.2.3 Block 22/06 – Harvesting using hauler and existing skid site. Some mountain bike trails will need to be closed.
 - 4.2.4 Block 22/05 – Harvesting of main trees to existing skid site, with the rest of the trees to be poisoned to mitigate risk to water pipeline and private properties.

5. Alternate Uses

- 5.1 Council agreed to retire approximately 140Ha of forestry and consider alternate uses and this Group has approved the Alternate Use Plan. Lachie Grant (LandVision) will be in attendance to answer any questions the Committee may have relating to alternate use.
- 5.2 The work planned for 2019/20 is appended as Attachment 6.

6. Forestry Stewardship Council Accreditation (FSC)

- 6.1 PF Olsen has finalised the draft FSC management plan and is preparing a consultation document. Any feedback from that consultation will be considered for possible inclusion in the final plan before seeking accreditation.

Item 6: Forestry Update - Number 9 - September 2019

- 6.2 The Group agreed that consultation would wait on the outcome of the more detailed harvest planning being carried out on the sensitive harvest areas in the Maitai, Tantragee and Marsden Valley forests and incorporating those lessons into the planning and consultation.
- 6.3 The draft consultation document will come back to the Group for sign-off in the new calendar year.

Author: Alec Louverdis, Group Manager Infrastructure

Attachments

- Attachment 1: A2256013 - NCC Forestry Fire Risk [↓](#)
- Attachment 2: A2255860 - NCC Reserves Fire Risk Summary [↓](#)
- Attachment 3: A2257694 - Forestry Annual Report [↓](#)
- Attachment 4: A2253872 - Forestry Accounts [↓](#)
- Attachment 5: A2251919 - Brook Small Harvest Areas [↓](#)
- Attachment 6: A2251918 - Alternative Species Update Aug 19 [↓](#)

Important considerations for decision making
1. Fit with Purpose of Local Government The regular updates support the effective and efficient management of Council's productive forests.
2. Consistency with Community Outcomes and Council Policy The Group aligns with the following outcomes: "Our Council provides leadership and is supported by an innovative and sustainable economy".
3. Risk The Group has been set up to specifically have an oversight on all things relating to forestry to reduce the risk to Council.
4. Financial impact The Group has been set up to monitor forestry activity and to manage income and expenses accordingly. All expenditure recommended in this report is in line with this oversight.
5. Degree of significance and level of engagement This update report is of low significance.
6. Inclusion of Māori in the decision making process Maori have not been consulted as part of this report.
7. Delegations The Group's Terms of Reference powers to decide include: "a. <i>Forestry and harvesting management plans (including replanting) as prepared by the Forestry contractor and endorsed by the independent forestry external expert;</i> b. <i>Engagement of consultants required to undertake all works necessary to guide recommendations to the Commercial Subcommittee and Council.</i> "



To: **Alec Louverdis**
Group Manager Infrastructure
Nelson City Council

From: Lachie Grant
LandVision Ltd

Date: 28 August 2019

Subject: **Fire Risk Assessment of NCC Forestry Blocks.**

Background Information

In light of the recent fires in Tasman the Forestry Advisory Group requested an analysis of the potential fire risk to their forestry blocks and consideration of options for reducing this risk.

NCC Parks had recently undertaken an analysis of the potential fire risk for their reserves along with possible options for reducing the risk. The approach used for NCC Parks has been used for the Nelson City Council forestry estate.

Methodology

The fire risk has been determined using a Fire Risk Matrix that considered three components: the fire potential, the potential fire intensity and the potential fire damage or hazard. The definitions of these are:

- **Fire potential**—the probability that a fire might ignite. Determined by ease of access, public use, proximity to population and the presence of fuel for a fire to start.
- **Fire intensity**—the magnitude of the flames, strength of the fire, speed at which it expands and potential scale of the fire. Determined by the state of the fuel, vegetation, current weather or the environmental conditions, easy or difficulty to control.
- **Fire damage or hazard**—the potential associated damage and destruction. Determined by the adjacent land use and proximity to residential dwellings etc.

The following table shows the Fire Risk Matrix.

A2256013



Fire Potential		Low				Medium				High			
Fire Intensity		Low	Med	High	Extr	low	Med	High	Extr	Low	Med	High	Extr
Fire Damage	Insignificant	L	L	M	M	L	M	M	M	L	M	H	H
	Minor	L	M	M	M	M	M	M	H	M	M	H	H
	Moderate	M	M	M	H	M	M	H	H	M	H	H	E
	Major	M	M	H	H	M	H	H	E	H	H	E	E

Key: L = Low; M = Medium; H = High; E=Extreme

In using the above matrix the Fire Potential is first determined by ranking it as either low, medium and high. Then the potential Fire Intensity is ranked from low to extreme. This is then followed by the rating of the potential Fire Damage from insignificant to Major. From here the Potential Fire Risk is determined.

If you use the forestry at the Marsden Valley Block as an example, the fire potential is high due to its easy access to the public and the number of people that pass through that area. The fire intensity was considered medium as the pines are pruned and the Douglas at the top of the hill are considered lower risk due to their higher stocking and overall moisture content compared with pines. The fire damage was considered as moderate due to the surrounding landuse and associated vegetation. The overall fire risk would be rated as low.

To reduce the risk requires reducing one of the risk components. Using the Marsden Valley block as an example the potential for a fire to start can be manipulated by restricting access when the vegetation index is high or the amount of fuel reduced by pruning where there is high public access.

Results

The following table details the results from the different blocks and the opportunities to reduce the risk.

Block	Fire potential	Fire Intensity	Fire Damage	Overall risk	Opportunities / comments
Marsden Valley	High	Medium	moderate	High	Limit access when the vegetation index gets to a certain level starting with partial restriction through to total restriction. Consider for the next rotation pruning buffer zones adjacent to the high use areas for the public.

A2256013



Maitai	High	Medium	moderate	High	Limit access when the vegetation index gets to a certain level starting with partial restriction through to total restriction. This should ideally be led by the parks and reserves team. Consider for the next rotation pruning buffer zones adjacent to the high use areas for the public.
Brooke – Fringe Hill compartments	High	High	Moderate	High	Public access in this area in the future may increase from expansion of mountain biking track network. Limit access when the vegetation index gets to a certain level starting with partial restriction through to total restriction. There is an option to reduce the risk of the Fringe Blocks by pruning these stands. A decision on this needs to be made now due to the age of the trees.
Brooke – Codgers	High	High	Moderate	High	The unpruned 2011 stand is unpruned and unthinned. Creating a pruned buffer zone adjacent to mountain bike tracks is an option or whole block pruning. The alternative species – higher flammability species have been planted however these are considered less risky than the alternative gorse and broom areas. Limit access when the vegetation index gets to a certain level starting with partial restriction through to total restriction.
Brook - York (rubbish dump)	High	High	Moderate	High	There should be a fire break between the landfill and the trees to minimise the risk from the landfill site.
Roding	Low	High	Minor	Medium	No actions required.

Conclusions

1. There is an overall high fire risk potential for the Brook (including the York), Maitai and Marsden Valley forestry blocks owned by NCC whilst the Roding is medium. The potential for ignition, intensity and damage does however vary between blocks. To reduce the overall potential is easiest achieve by either reducing the potential for the fire to ignite or by reducing the intensity by fire through management.
2. Contractors or forestry workers have trigger points based on a vegetation index as to what tasks that can be undertaken and whether partial or full restriction is required over the high fire

A2256013



risk period. These strategies needs to be extended to public access rather than just open or closed irrespective of other variables.

3. The amount of fuel can be manipulated with pruning and thinning buffer zones adjacent to high access areas. This will come at a cost of approximately \$3,550/ha.
4. The Forestry Advisory Group need to make a decision on the Fringe Hill block as to whether the risk on the young stands should be reduced through pruning. These trees are at an age where this decision cannot be delayed otherwise the trees will become too large.

A2256013



To: **Alec Louverdis**
 Group Manager Infrastructure
 Nelson City Council

From: Lachie Grant
 LandVision Ltd

Date: 28 August 2019

Subject: **A Summary of the Fire Risk Assessment of NCC Parks and Reserves.**

A fire risk assessment of the Reserves administered by Nelson City Council has been undertaken using a risk matrix based on three factors:

1. **Fire potential**—the probability that a fire might ignite. Determined by ease of access, public use, proximity to population and the presence of fuel for a fire to start.
2. **Fire intensity**—the magnitude of the flames, strength of the fire, speed at which it expands and potential scale of the fire. Determined by the state of the fuel, vegetation, current weather or the environmental conditions, easy or difficulty to control.
3. **Fire damage or hazard**—the potential associated damage and destruction. Determined by the adjacent land use and proximity to residential dwellings.

These three factors were then used to determine the potential fire risk in the following matrix.

Fire Potential		Low				Medium				High			
Fire Intensity		Low	Med	High	Extr	low	Med	High	Extr	Low	Med	High	Extr
Fire Damage	Insignificant	L	L	M	M	L	M	M	M	L	M	H	H
	Minor	L	M	M	M	M	M	M	H	M	M	H	H
	Moderate	M	M	M	H	M	M	H	H	M	H	H	E
	Major	M	M	H	H	M	H	H	E	H	H	E	E

Key: L = Low; M = Medium; H = High; E=Extreme

A2255860



The rating of these three factors then determined the potential fire risk for a particular reserve based on low, medium, high and extreme.

In summary forty-five reserves were investigated across the Nelson City Council region and 22 reserves were classified as low risk, 11 reserves as having medium risk, 9 reserves as being high risk and 3 reserves being extreme risk to fire.

The three parks rated as extreme risk are Walters Bluff, Sir Stanley Whitehead and the Grampians Reserve. The main component is the substantial volume of highly flammable vegetation combined with high accessibility and proximity to residential houses. They also contain generally steep sites with predominantly north or northwest aspect.

Of the 9 parks in the high risk category, there are a number of parks that have considerable levels of flammable vegetation but are also highly accessible and well used parks. This includes the Brook, Maitai and Marsden Conservation Reserves. In addition, Pipers, Tantragee, Bolwell, Botanical Hill, Murphy North and Railway Reserves fall into the high risk category.

For those reserves where the level is high or extreme, management strategies and trigger points will take effect before those parks identified as having lower risk levels. Despite the variability between Reserves, the fundamental processes and steps required to reduce the risk, prepare for response and recover from fires are common to all areas. Priority for resources however can be given to high risk areas and management decisions can be pre-empted according to priority.

A2255860

NELSON CITY COUNCIL FORESTRY

2018/19 ANNUAL REPORT

1 July 2018 - 30 June 2019

August 2019



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1. HEALTH AND SAFETY

Incidents

Forest	Incident Type				
	Operational Issue	Property Damage	Near Hit	Minor Harm	Lost Time
Roding	2	1	8	0	0

A total of 11 H&S incidents were recorded for the period.

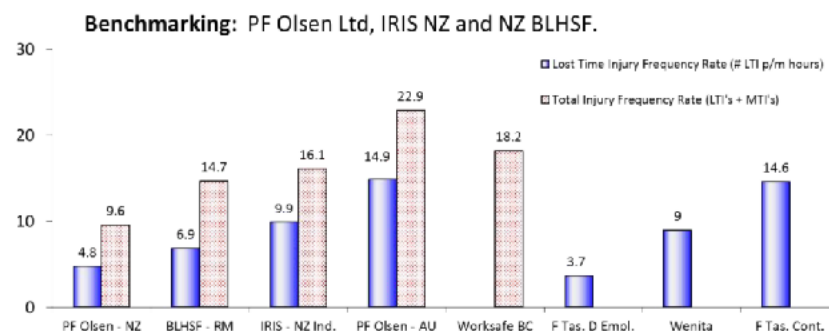
No trends were identified over the period.

We are pleased to see that the previous years' high incident rate on the Aniseed Valley Road has not continued into the current year, following considerable efforts on signage, road maintenance, and warnings to road users about the risks.

One of the main risks at the Roding forest is surrounding the use of the ford crossing in the Roding river. This creates upset conditions around rain events as contractors have to continually compromise production to allow safe crossing over the river. The construction of the new bridge will be a welcome addition to the forest.

Safety Performance Statistics

The below graph shows that PF Olsen Nelson and PF Olsen NZ continue to outperform the overall industry on Lost Time Incident statistics, with 4.8 Lost Time Injuries (LTI) vs 9.9 for the national forest industry.



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**H&S Lead
Indicators**

The main lead H&S indicators for our business that we continue to focus on are:

- Monthly H&S meetings with staff
- Monthly H&S meetings with all contractors
- Incident management
- H&S auditing
- Training
- Mechanisation
- Safety Culture
- H&S policy setting and review

These areas require significant focus resources to continue to work hard on, although the end result is having a safe workforce in a relatively high risk industry.

2. ENVIRONMENTAL

Incidents

There were no environmental incidents in the period.

Impact of the NESPF

After over a year of operating under the new National Environmental Standards for Plantation Forestry, the process has gone relatively smoothly. The main impacts to the NCC forest operations are:

- Permanent bridges required at the Maitai and Roding forests
- More stringent sediment and slash management practices

NCC has set the mandate to employ 'good practise' over 'compliance', e.g. go above and beyond the minimum standard where commensurate with the risk.

Forest Stewardship Council Certification

PF Olsen is currently assisting the NCC with gaining Forest Stewardship Council (FSC) certification, this is a relatively involved process due to the sensitive nature of the NCC forests, and the potential for the stakeholder consultation process to extend due to current public scrutiny on forestry.

The ultimate intention of FSC is to show leadership in sustainable management in the NCC forest estate. Annual audits are carried out by the FSC governing body to maintain the certification.

Once FSC certification has been completed, the NCC will receive \$2/t higher log price for domestic sawlogs sold to the Southpine (Tahunanui) and Carter Holt Harvey (Eves Valley) mills.

The FSC certification process is currently on hold until the Marsden Valley, Maitai and Tanragee harvesting project planning is completed.

Maitai Forestry Forum

The NCC has commissioned PF Olsen to be a part of the Maitai Forestry Forum along with other forest companies to work through concerns raised by the Friends of the Maitai on sedimentation of the Maitai River from forestry.

3. HARVESTING

Harvesting Costs and Revenue: 1 July 2018 – 30 June 2019

Roding	Tonnes Harvested	Nett Income	Av nett revenue per tonne	Av cost per tonne
1 st Quarter	11,372	\$410,155	\$36.07	\$75.03
2 nd Quarter	9,373	\$412,588	\$44.02	\$73.52
3 rd Quarter	61	-\$27,832	N/A	N/A
4 th Quarter	0	-\$3,200	N/A	N/A
Total	20,806	\$789,663	\$37.95	\$75.86

Maitai	Tonnes Harvested	Nett Income	Av nett revenue per tonne	Av cost per tonne
3 rd Quarter	56	-\$5,167	-\$92.27	\$150.68
Total	56	-\$5,167	-\$92.27	\$150.68

Current Year	Actual	Annual Budget	% Actual vs budget	Comments
Nett Income	\$784,496	\$1,959,973	40%	Actual nett income was 60% below that budgeted, primarily due to being 62% below budgeted volume, but offset by increases in gross revenue.
Area	36.9 ha	108.3ha	34%	Some of the budgeted Roding harvest area was harvested in the previous financial year. The budgeted Maitai harvest area was delayed until subsequent financial years.
Tonnes harvested	20,862	54,850	38%	Volume 62% below budget due to the delaying of the Maitai harvesting following constraints imposed by the NESPF.
Tonnes/ha	565 Tonnes/ha	506 Tonnes/ha	112%	Mechanisation of tree felling caused less breakage of stems than the budgeted manual felling, and improved extraction of volume with the hauler.
Average Net Income per tonne	\$37.60	\$35.73	105%	Favourable due to higher than budgeted gross revenue, partially offset by higher than budgeted costs.
Average Gross revenue per tonne	\$113.66	\$107.55	106%	Favourable to domestic log market access, overall log market and operational log value recovery.
Average Costs per tonne	\$76.06	\$71.82	106%	Adverse to budget primarily due to large amount of slash and water control remediation work carried out on the previous financial years' harvesting operation to bring up to NESPF standards, as well as keeping this years harvesting up to standards. NESPF not budgeted for due to budget being set before NESPF came into place.

4. FORESTRY

Financial summary – All forests

Forest Budget	Year to Date Actual (\$)	Annual Budget (\$)	Comments
Roading	83	18,421	Not needed
Land Preparation	28,921	24,168	
Establishment	138,672	268,459	Timing of planting at the Roding meant that costs have been landed in the 2019/20 financial year
Tending	31,931	22,138	Thinning of difficult wind affected block by the York landfill
Protection	15,552	3,099	Poisoning of wilding trees within Maitai forest
Property Maintenance	0	5,913	Not needed
Forest Management	1,598	0	Miscellaneous
Rates & Insurance	0	44,811	Costs paid directly by council.
Admin/Management	17,888	32,849	Monthly admin fee and annual valuation. Some costs are in consulting and Tantragee as below.
13554 - NCC Consulting	31,299	36,155	FAG duties
Tantragee Hazardous Tree	43,752	0	Planning for Tantragee tree management
TOTAL	309,696	456,013	

As is common, the separation of financial years between June and July, and the fact that the planting season stretched from June-August, causes establishment costs to often be considerably under or considerably over budget for any given year.

Estate losses/gains

N/A



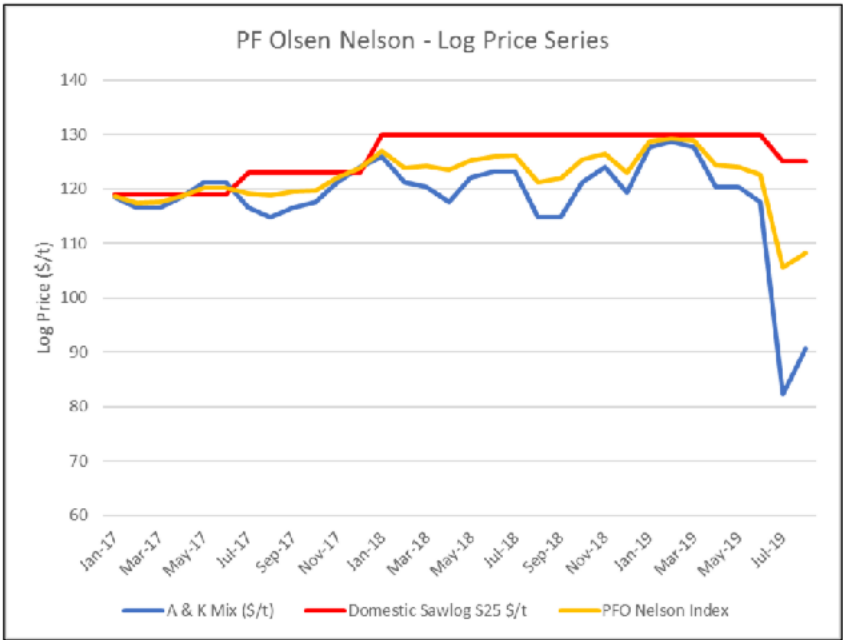
5. LOG MARKETS

Review and
Forecast

Export markets for the 2018/19 year continued their strong run from previous years. As has been well publicised, export log prices are facing considerable headwinds going into the 2019/20 financial year on the back of the US/China trade war and continued strong log and lumber supply from NZ, Australia and Russia.

Domestic markets mirrored the strong run of the export markets throughout the period in order for the mills to maintain supply levels against competition from the export market. With the decline of export markets, there is pressure on domestic mills to lower log prices. Despite this, the healthy demand for domestic-quality logs in Nelson coupled with the slow down in harvest levels has maintained enough pressure on the mills to hold prices at the higher levels. Thankfully the majority of the NCC forest estate is of sufficient quality to supply the majority of its volume into the domestic market.

Log Price
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APPENDIX 1: Harvest Production

Wood Track: Forest Owner Production - Customer Deliveries By Grade

From 01/07/18 To 30/06/19

GeoUnit:

Nelson City Council

NCC Roding - Harvest

0021893

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Carters Building Supplies Group	Eves Valley	PRAD	HP	3.7	24.0	521.10		
		PRAD	HP	4.8	18.0	293.80		
		PRAD	HP	4.9	11.0	169.48		
		PRAD	ROB	M	151.0	4,399.54		

Carters Building Supplies Group Limited - Eves Valley Total: 204.0 5,383.92

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Eurocell Wood Products Ltd	Tahunanui	PRAD	ROB	M	6.0	198.14		

Eurocell Wood Products Ltd Total: 6.0 198.14

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Fortuna Forest Products Ltd 9	Port Nelson	PRAD	A	3.9	78.0	1,829.93		1,705.975
		PRAD	A	5.9	11.0	237.25		227.038
		PRAD	K	3.9	96.0	2,612.57		2,336.930
		PRAD	K	5.9	11.0	242.21		218.219
		PRAD	KI	3.9	2.0	43.83		36.575
		PRAD	KIS	3.9	48.0	1,105.78		896.972
		PRAD	KIS	5.9	38.0	717.94		527.381
		PRAD	P3	4.0	28.0	639.05		623.440

Fortuna Forest Products Ltd 9 Nelson Total: 312.0 7,428.36 6,572.530

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Goldpine Industries Ltd	Golden Downs	PRAD	POLES	6.0	4.0	132.64		
		PRAD	POST	RL	22.0	754.66		

Goldpine Industries Ltd Total: 26.0 887.50

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Goldpine Industries Ltd (Use 4)	Golden Downs	PRAD	POLES	10.0	1.0	29.36		
		PRAD	POST	RL	14.0	492.11		

Goldpine Industries Ltd (Use 4477) Total: 15.0 521.47

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Nelson Pine Industries Ltd	Richmond	PRAD	CH	RS	74.0	2,125.68		
		PRAD	LVL MIX	2.7	35.0	630.88		
		PRAD	LVL MIX	5.5	106.0	2,850.58		

Nelson Pine Industries Ltd Total: 215.0 5,607.14


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Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
South Pine (Nelson) Ltd	Stoke	PRAD	ROB	M	6.0	209.13		

South Pine (Nelson) Ltd Total: 6.0 209.13

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Southwood NZ Ltd	Motueka	PRAD	P35	S	6.0	209.23		

Southwood NZ Ltd Total: 6.0 209.23

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Taylor Timbers Ltd	Hope	PRAD	P35	M	4.0	77.88		
		PRAD	P35	S	9.0	213.54		

Taylor Timbers Ltd Total: 13.0 291.42

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Timberlink New Zealand Limited	Blenheim	PRAD	P35	RL	2.0	69.28		

Timberlink New Zealand Limited Total: 2.0 69.28

NCC Roding - Harvest Total: 805.0 20,605.59 6,572.530

NCC Maitai - Harvest

0022384

Customer	Destination	Species	Grade	Len	Loads	Tonnes	m3	JAS
Jason Kingsley Brewerton and	Brightwater	EUCS	FW	RL	2.0	56.40		

Brewerton and Kristina May Brewerton as partners of the 2.0 56.40

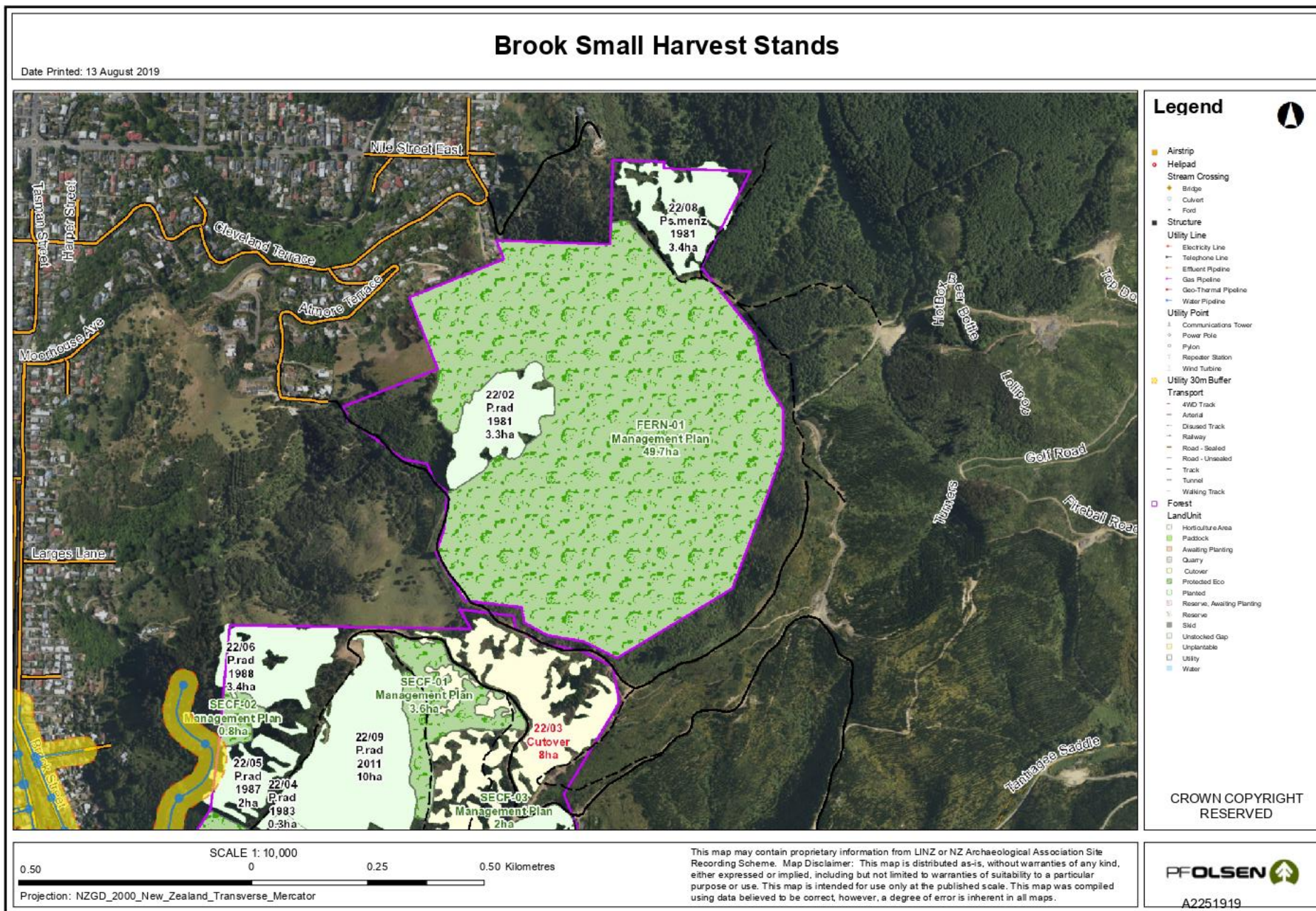
NCC Maitai - Harvest Total: 2.0 56.40

Nelson City Council Total: 807.0 20,661.99 6,572.530

Report Total: 807.0 20,661.99 0.000 6,572.530

Item 6: Forestry Update - Number 9 - September 2019: Attachment 4

Account	Full Year Actuals 2018/19	Full Year Operating Budget 2018/19	Total Operating Budget 2019/20
Grand Total	(400,779)	(318,541)	422,526
Income	(2,348,479)	(3,108,040)	(2,680,116)
154005100232. Brook / York Valley Forest	0	(360,860)	0
154005100233. Maitai Forest	0	(1,298,402)	(2,680,116)
154005100235. Roding Forest	(2,348,479)	(1,448,778)	0
Expenses	1,947,700	2,789,499	3,102,642
Staff Operating Expenditure	5,202	10,181	10,805
Base Expenditure	1,877,833	2,742,130	2,565,837
154020190232. Forest management: Brook/York	41,665	52,282	8,750
154020190233. Forest management: Maitai	52,684	51,578	103,800
154020190235. Forest management: Roding	127,575	238,416	88,400
154020190800. Forest management: General	49,187	69,004	132,600
154023100232. Brook/York Valley Harvest Costs	0	283,684	0
154023100233. Maitai Harvest Costs	0	896,052	2,200,000
154023100235. Roding Harvest Costs	1,574,700	1,110,410	0
15402621. Rates	5,961	5,976	6,187
15402637. Insurance	26,061	34,728	26,100
Unprogrammed Expenses	47,153	0	500,000
154033100232. Tantragee Hazardous tree removal	47,153	0	500,000
Programmed Expenses	17,512	36,000	26,000
154040160232. Forestry Disestablishment: Brook/York	7,800	0	15,000
154040160233. Forestry Disestablishment: Maitai	0	0	2,000
154040160234. Forestry Disestablishment: Roding	0	0	4,000
154040168020. Forestry disestablishment	9,712	36,000	5,000
Depreciation	0	1,188	0



Alternative species update – Aug 2019

Forest	Compartment	Alternative species recommendation	Comments
Brook	22/05	Indigenous Revegetation	0.7 ha estimated. To be planted winter 2020 Seedlings ordered.
Brook	22/06	Indigenous Revegetation	3.5 ha. To be planted winter 2020. Seedlings ordered.
Brook	22/08	Natural Regeneration	3.4 ha Need to determine the ability of the block to naturally regenerate and the risk of developing into a gorse block. This block may need a combination of "light" indigenous revegetation and natural regeneration to satisfy the ETS commitments which have not been budgeted for.
Brook	22/02	Natural Regeneration	3.3 ha Need to determine the ability of the block to naturally regenerate and the risk of developing into a gorse block. This block may need a combination of "light" indigenous revegetation and natural regeneration to satisfy the ETS commitments which have not been budgeted for.
Brook	21/04	Indigenous Revegetation	18.6 ha in total. Sprayed April 2019 – reasonable kill but some regrowth appearing particularly against the mature kanuka. Planted just under half the block this winter with 9000 Kanuka and totara seedlings (the area with smaller gorse). Cost of planting was more expensive than expected due to the gorse and the Tasman fire. It is propose to line cut the old man gorse this summer for planting the next winter. This area will be aerially sprayed in the autumn. Seedlings ordered.
Brook	Tantragee Block	Indigenous Revegetation	Proposed to plant the area harvested and enhancement plant around poisoned trees in 2020. Seedlings ordered.
Brook	Codgers	Indigenous Revegetation	Continuation of revegetation programme for 2020 winter. Weed control of plantings undertaken in 2019 required. Excellent response from community over works undertaken this winter where the area was mulched and about 5000 seedlings planted. In consultation with the NMBC they have corporates interested in sponsorship for plantings in the Codgers area.
Maitai Dam	9/02 & 9/04	Indigenous Revegetation	Approximately 14,170 seedlings (Kanuka, totara, kahikatea) were planted in the cutover. In addition about 600 seedlings were planted in a community planting day. These have been released and

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			there have been some losses from frost. Some blanking is proposed for 2020 winter.
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