

Notice of the Ordinary meeting of

Forestry Subcommittee

Te Kōmiti Āpiti, Ngahere

Date:	Tuesday 22 March 2022
Time:	1.00p.m.
Location:	via Zoom

Agenda

Rārangi take

Chairperson

Mr John Murray

Members

Her Worship the Mayor Rachel Reese

Cr Kate Fulton

Cr Tim Skinner

Independent Forestry Expert Peter Gorman

and Group Manager Infrastructure Alec Louverdis

Quorum: 5, comprising the Chair and two elected member (decision makers), plus one Council officer and the independent forestry expert (for advice only)

Pat Dougherty
Chief Executive

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. For enquiries call (03) 5460436.

Excerpt from Nelson City Council Delegations Register (A11833061)

Forestry Subcommittee

This is a subcommittee that reports to Council.

Areas of Responsibility:

- All matters relating to the commercial forestry operational portfolio including environmental and recreational issues

Powers to Decide:

- In accordance with Council's Annual Plan and Long Term Plan:
 - Approval of forestry and harvesting management strategy and plans
 - Approval of the engagement of contractors/consultants and forestry tenders

Powers to Recommend to Council:

- Any actions relating to the oversight of all matters relating to the commercial forestry portfolio, falling outside the powers to decide, including:
 - Approval of forestry related budgets; and
 - Any other matters relating to continuing commercial forestry operations.

For the Terms of Reference for the Forestry Subcommittee please refer to document A1739267.

Karakia and Mihi Timatanga

1. Apologies

Nil

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 1 December 2021

4 - 7

Document number M19127

Recommendation

That the Forestry Subcommittee

- 1. Confirms the minutes of the meeting of the Forestry Subcommittee, held on 1 December 2021, as a true and correct record.***

6. Chairperson's Report

7. Forestry Update - Number 18

7 - 22

Document number R26482

Recommendation

That the Forestry Subcommittee

- Receives the report (R26482) and its attachments (A2853830, A2853822 and A2823832).***

Karakia Whakamutanga

Minutes of a meeting of the

Forestry Subcommittee

Te Kōmiti Āpiti, Ngahere

Held in the Council Chamber, Floor 2A, Civic House,, 110 Trafalgar Street, Nelson on Wednesday 1 December 2021, commencing at 1.04 p.m.

Present: Mr J Murray (Chairperson), Her Worship the Mayor R Reese, Councillors K Fulton and T Skinner, Independent Forestry Expert P Gorman and Group Manager Infrastructure A Louverdis

In Attendance: PF Olsen representative (S Nuske), LandVision Limited representative (L Grant), Governance Adviser (K Redgrove) and Governance Support Officer (A Bryce-Neumann)

Apologies : Councillor K Fulton (for lateness)

1. Apologies

Resolved FS/2021/009

That the Forestry Subcommittee

- 1. Receives and accepts the apology from Councillor Fulton for lateness.***

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. Public Forum

There was no public forum.

5. Confirmation of Minutes

5.1 29 September 2021

Document number M18974, agenda pages 5 - 7 refer.

Resolved FS/2021/010

That the Forestry Subcommittee

- 1. Confirms the minutes of the meeting of the Forestry Subcommittee, held on 29 September 2021, as a true and correct record.***

Skinner/Her Worship the Mayor

Carried

6. Chairperson's Report

There was no Chairperson's report for this meeting.

7. Forestry High-level Review – Costs

Document number R26263, agenda pages 8 – 13 refer.

Group Manager Infrastructure, Alec Louverdis, presented the report and confirmed its purpose was to give effect to the Council resolution of 24 June 2021. There were two proposed workstreams that he considered would achieve that.

He explained that the outcomes from both those workstreams would be independently peer reviewed and confirmed those independent parties had already been contacted and were available. He considered the process outlined in the report offered the best value for money, with checks and balances in place to ensure transparency and independence.

He confirmed that the outcomes from the proposed workstreams would be reported back to the Subcommittee to guide the next Forestry Activity Management Plan and the Long Term Plan.

In the meantime, forestry blocks would continue to be harvested and replanted with *pinus radiata*.

Mr Louverdis noted that the reports would address effects on the supply chain climate leadership.

Attendance: Cr Fulton joined the meeting at 1.30 pm.

Resolved FS/2021/011

That the Forestry Subcommittee

- 1. Receives the report (R26274); and***

2. ***Endorses the recommended approach as detailed in report (R26263) to fulfil the requirements of the high-level forestry review requested by Council; and***
3. ***Approves the next steps of appointing the suite of consultants (along with independent peer reviews), as detailed in Report (R26263), to undertake a high-level review of commercial forestry at an estimated cost of \$73,500 (excluding peer reviews).***

Skinner/Her Worship the Mayor

Carried

8. Forestry Activity Management Plan 2021-31

Document number R22592, agenda pages 14 - 63 refer.

Mr Louverdis described the recommendation as a procedural step towards referral to Council and highlighted items had recently been added to the Plan.

The Subcommittee agreed to include the 17 November 2021 resolution with respect to the Emissions Trading Scheme and eligible Council owned and managed land, including exotic forestry.

Resolved FS/2021/012

That the Forestry Subcommittee

1. ***Receives the report Forestry Activity Management Plan 2021-31 (R22592) and its Attachment (A2072414); and***
2. ***Approves the Forestry Activity Management Plan 2021-31 (A2072414) as the version to be forwarded to Council following approval of the Long-Term Plan 2021-31, subject to the minor amendment as noted in the minutes.***

Her Worship the Mayor/Fulton

Carried

Recommendation to Council FS/2021/013

That Council

1. ***Adopts the revised Forestry Activity Management Plan 2021-31 (A2072414).***

Her Worship the Mayor/Fulton

Carried

9. Forestry Update - Number 17

Document number R26274, agenda pages 64 - 82 refer.

The meeting adjourned at 2.18 am and reconvened at 2.27 pm.

Mr Louverdis introduced the report. Sub-Committee members were pleased to note the Maitai bridge has been completed and noted the Roding bridge work will start once necessary consents had been granted.

Mr Nuske answered questions relating to consenting timeframes which had been delayed and had caused additional costs.

The meeting was provided with an update on the Marsden harvesting noting that the harvest would be delayed until mid February 2022, with limited access over the Christmas break.

He reported delays in health, safety and recreational considerations applicable to the Marsden forestry block had meant harvest crews were currently 'parked up idle'. Mr Louverdis confirmed he would make enquiries of the Group Manager Environmental Management and bring back responses to this Sub-Committee.

LandVision Limited representative Lachie Grant provided an overview of the programmed planting. In response to a question raised, he clarified that the terminology 'native' was more commonly used in the industry than 'indigeneous'.

Resolved FS/2021/014

That the Forestry Subcommittee

- 1. Receives the report (R26274) and its Attachments (A2779103, A2762279, A2788214 and A2783310).***

Skinner/Murray

Carried

There being no further business the meeting ended at 2.53 pm.

Confirmed as a correct record of proceedings by resolution on (date)

Resolved

Forestry Update - Number 18

1. Purpose of Report

- 1.1 To provide an update to the Forestry Subcommittee on forestry activities undertaken since Council adopted the Forestry Review recommendations in September 2016, and since the December 2021 update.

2. Recommendation***That the Forestry Subcommittee***

- 1. Receives the report Forestry Update - Number 18 (R26482) and its attachments (A2853830, A2853822 and A2823832).***

3. Harvesting**Bridges**

- 3.1 Roding bridge – work is about to commence.

Maitai harvesting

- 3.2 Harvesting in the Maitai Valley is well underway and progressing well.

Marsden Harvesting

- 3.3 Harvesting of Block 42.05 (around 15Ha) has commenced, with all slips remediated.

4. Tasman Pine Forests and Waahi Taakaro harvesting

- 4.1 When Tasman Pine Forests Ltd harvest the block adjacent to the Waahi Taakaro Golf Club, the work will also include harvesting the small area planted by them on Council land. When this work is undertaken, PF Olsen will monitor the work to ensure that the trees on Council owned land are harvested to the required standards. The small area will be replanted with indigenous species. No date has been provided by Tasman Pine Forests for the harvesting.

5. Health and Safety

- 5.1 No Safe Work Observations (SWOs) were conducted by NCC between September and December. PF Olsen continue to undertake regular internal SWOs.

6. Other matters

Ungulate control

- 6.1 An issue was raised at the previous meeting about the negative effect ungulates (deer, goat, and pigs) are having on new forestry plantings with more activity been recorded of late. Culling of ungulates is managed by Department of Conservation on their land and through contract on Council land (managed by Parks and Reserves).
- 6.2 Results from the most recent cull (September 2021) report a total kill of 82 ungulates (46 goats, 29 deer and 7 pigs). This is down from previous years (181 in 2018, 169 in 2019 and 126 in 2020). Work in ongoing across all departments to ensure that culling numbers are maximised not only for the commercial forestry but also to ensure numbers are maximised in the city's water catchments and across all Council reserves.

Forestry High-Level Review

- 6.3 All consultants have been appointed (and peer reviewers notified and confirmed) to progress the work to guide the high-level review. All work, once peer reviewed, will be presented to the Subcommittee as a package to guide development of the Forestry Activity Management Plan.

Consenting delays

- 6.4 The Subcommittee at the December 2021 meeting requested an update as to the reasons for delays in securing consents for forestry works. The Group Manager Environmental Management has advised as below.

As has been signalled to ARF the issues with staff retention and ability to recruit are now impacting timeframes. Both Teams are working hard in difficult circumstances, staff down, complex consenting issues, input from other internal staff taking time as they too are stretched, remote working, and difficulty finding consultants who are available to assist e.g. I heard today that geo-technical consultants have workloads that mean new work cannot start for 6 months. Planners in particular are in high demand and have been recruited into roles by others e.g. Government Departments who pay significantly more than we can. Loss of staff by local authorities is a nationwide issue, as is the issue of not meeting timeframes.

Carbon Credit Potential from Council Indigenous Forests

- 6.5 Council resolved on 17 November 2021 as follows:

2. *Agrees to undertake a detailed assessment of all Council land under ownership and management for eligibility in the Emissions Trading Scheme (ETS); and*

3. *Requests that eligible Council owned and managed land (including exotic forestry) be registered into the Emissions Trading Scheme before 1 April 2022.*

- 6.6 Updates on this matter will be reported to both this Subcommittee and Council.
- 6.7 Council has engaged PF Olsen to do the detailed eligibility assessment (assisted by the 1989 aerial photography held by Council) and to manage the registration process as Council's authorised representative.
- 6.8 While the application for the exotic forest area is expected to be submitted to MPI before 1 April 2022, its registration will be after this date because of the backlog of applications. The approximate timeframe is as below:
- 6.8.1 Submission of the exotic forest application by PF Olsen in Feb/March 2022;
- 6.8.2 MPI to process the application and register by September/October 2022 (MPI has advised that applications can take up to 6 months to process).
- 6.9 Gathering evidence for the eligibility of the indigenous forest areas is more complex and likely to take longer for MPI to process. It will be submitted as a separate application so that it does not delay the registration of the exotic forest.
- 6.10 PF Olsen's engagement for the commercial forestry part of this work is \$2,500.

7. Finance

- 7.1 An updated summary of Council budgets to December 2021 is appended as Attachment 1 (A2853830). PF Olsen's quarterly report October – December 2021 is appended as Attachment 2 (A2853822).

8. Alternate Uses

- 8.1 Council agreed to retire approximately 140Ha of forestry and consider alternate uses and an Alternate Use Plan has been approved. Refer to Attachment 3 (A2853832) for an update. Lachie Grant (Landvision) will be in attendance to update the Subcommittee further.

Author: **Alec Louverdis, Group Manager Infrastructure**

Attachments

Attachment 1: A2853830 - Forestry Quarterly Report December 2021 [↓](#)

Attachment 2: A2853822 - PF Olsen NCC Quarterly Report - Q2 - 2021-22 [↓](#)

Attachment 3: A2853832 - Alternate Use Plan [↓](#)

Important considerations for decision making
<p>1. Fit with Purpose of Local Government</p> <p>The regular updates support the effective and efficient management of Council's productive forests and through best practices and sustainability contributes to Local Government well-beings of social, economic, environmental, and cultural.</p>
<p>2. Consistency with Community Outcomes and Council Policy</p> <p>The Group aligns with the following outcome: "Our Council provides leadership and is supported by an innovative and sustainable economy".</p>
<p>3. Risk</p> <p>The Subcommittee has been set up to specifically have an oversight on all things relating to forestry to reduce the risk to Council. Key risks identified in this report relate to harvesting in the Brook and Maitai, which are adequately mitigated by planned safety measures.</p>
<p>4. Financial impact</p> <p>The Subcommittee has been set up to monitor forestry activity and to manage income and expenses accordingly. Any expenditure recommended in this report is in line with this oversight.</p>
<p>5. Degree of significance and level of engagement</p> <p>The report deals with several matters that have required individual engagement with individuals/groups.</p>
<p>6. Climate Impact</p> <p>Commercial pine forestry and harvesting is a sustainable practice and contributes positively to climate change mitigation.</p>
<p>7. Inclusion of Māori in the decision-making process</p> <p>Iwi have not been consulted in the preparation of this report.</p>
<p>8. Delegations</p> <p>The Forestry Subcommittee's areas of responsibility include:</p> <p>Areas of Responsibility:</p> <ul style="list-style-type: none"> <i>All matters relating to the commercial forestry operational portfolio including environmental and recreational issues</i>

Powers to Decide:

- *In accordance with Council's Annual Plan and Long-Term Plan:*
 - *Approval of forestry and harvesting management strategy and plans*
 - *Approval of the engagement of contractors/consultants and forestry tenders*

Item 6: Forestry Update - Number 18: Attachment 1

NCC Forestry Accounts Summary at 31 December 2021

Account	YTD Actuals Dec 2021	YTD Operating Budget 2021/22	YTD Variance	Total Operating Budget 2021/22	LTP 2021-31 Final Year1 (2021/22)
Grand Total	721,604	164,421	(557,183)	582,250	582,255
Income	(433,016)	(1,642,044)	(1,209,028)	(3,490,726)	(3,490,722)
Other Income	(433,016)	(1,642,044)	(1,209,028)	(3,490,726)	(3,490,722)
154005100232. Brook / York Valley Forest	(433,016)	(85,340)	347,676	(213,350)	(213,350)
154005100233. Maitai Forest	0	(1,556,704)	(1,556,704)	(3,891,760)	(3,891,756)
154005100234. Marsden Forest	0	0	0	0	0
15400730. Revaluation movements	0	0	0	614,384	614,384
Expenses	1,154,620	1,806,465	651,845	4,072,976	4,072,977
Staff Operating Expenditure	105,548	99,822	(5,726)	199,637	199,637
15401602. Support Services Overhead	98,227	96,600	(1,627)	193,196	193,196
15401672. Parks & Facilities	7,321	3,222	(4,099)	6,441	6,441
Base Expenditure	849,985	1,368,564	518,579	3,244,338	3,244,341
154020190232. Forest management: Brook/York	19,918	14,011	(5,907)	14,011	14,011
154020190233. Forest management: Maitai	50,460	29,856	(20,604)	64,860	64,857
154020190234. Forest management: Marsden	3,499	5,108	1,609	12,386	12,389
154020190235. Forest management: Roding	50,403	21,768	(28,635)	45,444	45,444
154020190800. Forest management: General	33,396	36,466	3,070	71,398	71,400
154023100232. Brook/York Valley Harvest Costs	569,812	96,047	(473,765)	172,709	172,712
154023100233. Maitai Harvest Costs	66,315	1,132,148	1,065,833	2,830,370	2,830,368
154023100234. Marsden Harvest costs	0	0	0	0	0
154023100235. Roding Harvest Costs	5,578	0	(5,578)	0	0
15402621. Rates	5,654	6,275	621	6,275	6,275
15402637. Insurance	34,696	26,885	(7,811)	26,885	26,885
15402693. Admin (advertising, mapping, H&S)	5,967	0	(5,967)	0	0
15402720. Valuation fees	4,287	0	(4,287)	0	0
Unprogrammed Expenses	186,822	286,479	99,657	500,001	500,000
154033100232. Tantragee Hazardous tree removal	186,822	286,479	99,657	500,001	500,000
Programmed Expenses	12,265	51,600	39,335	129,000	129,000
154040168020. Forestry disestablishment	0	11,600	11,600	29,000	29,000
15404041. Commercial Species Investigation	12,265	40,000	27,735	100,000	100,000

*Report Contains Filters

A2853830

Nelson City Council Forestry

Quarterly Report Budget Year 2021/22

Q2: October – December 2021



Harvesting in the Maitai Valley



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A2853822

Summary**Health and Safety**

4.7K hours were worked over the period, with no incidents

Environmental

Ecological surveys are ongoing as part of the Forest Stewardship Council certification.

Two breaches of the urban trucking curfews were reported of 1,104 truck passes.

Harvesting

Harvesting	Q2 Actuals	YTD Actuals	Full Year Budget	% Budget Achieved
Profit	108,254	-23,662	1,102,026	-2%
Volume	9,070	16,200	37,412	56%

Harvesting occurred in the Maitai and Brook forests.

Q3 will bring higher profits as Maitai and Marsden harvesting is carried out on an improved log market with lower costs.

Forest Management

Forest Management	Q2 Actuals	YTD Actuals	Full Year Budget	% Full Year Budget Achieved
Cost	90,148	337,246	208,103	162%

Road maintenance and Fertilising were the main expenditure items.

1. **Health and Safety**

Hours Worked	4,753 hours were worked in the NCC forestry estate.
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Incidents	No H&S incidents recorded.
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D&A testing	Nil.
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PF Olsen Auditing	One systems audit was completed throughout the period on Moir Logging Ltd
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Worksafe inspections	Nil.
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Meetings	A Local Safety Meeting was held in October.
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2. Environmental

Incidents

There were no environmental incidents recorded throughout the period.

Urban Trucking Curfews

The below resolution was agreed by the Forestry Advisory Group:

No truck movements between 8:15-9:15am and 2:45-3:45 pm during the school term and that speeds past the school be no greater than 30kph.

There has been 1,104 truck movements since beginning harvesting in June to the end of December 2021, over which time two instances were reported whereby trucks breached the morning curfew – these breaches occurred on the 15th of November and the 9th of December.

PF Olsen Auditing

Three audits were completed throughout the period on harvesting and engineering operations at the Brook and Maitai forests.

RMA/Compliance

Nil.

Forest Stewardship Council (FSC)

Work is planning to be, or is already, underway for the following surveys:

- Bats – completed
 - o There were no bats recorded
- Lizards – completed
 - o Northern Grass Skink and Raukawa Geckos were found. Starred Geckos were not found.
- Water quality – underway
 - o Completed in Maitai and Marsden forests before harvesting began. Testing in Roding scheduled.
- Fresh water invertebrates – completed
- Vegetation – underway
 - o To be completed in February '22.

3. Harvesting

Financials by Forest

Maitai	Volume (T)	Profit (\$)	Profit (\$/T)	Budget Volume (T)	Budget Profit (\$)	Budget Profit (\$/T)
Q1	0	-65,933	0			
Q2	8,942	183,736	20.55			
Total	8,942	117,803	20.55	35,380	1,061,388	30
Brook	Volume (T)	Profit (\$)	Profit (\$/T)	Budget Volume (T)	Budget Profit (\$)	Budget Profit (\$/T)
Q1	7,131	-65,983				
Q2	127	-65,941				
Total	7,258	-131,924	-18.18	2,032	40,638	20
Roding	Volume (T)	Profit (\$)	Profit (\$/T)	Budget Volume (T)	Budget Profit (\$)	Budget Profit (\$/T)
Q1	0	0	0			
Q2	0	-6,893	0			
Total	0	-6,893	0	0	0	0

Financials Summary

Current Year	Q2	YTD	Annual Budget	%	Comments
Volume (T)	9,070	16,200	37,412	43%	
Profit (\$)	108,254	-23,662	1,102,026	-2%	Brook harvesting is a costly "Land Clearing" operation to make way for native planting.
Profit (\$/T)	11.94	-1.46	29.46	5%	

**Operational
Update**

Maitai

Harvesting was underway in the Maitai forest throughout the period. Profit in this forest was \$10/T below budget, as significant costs were incurred with delays to the issuing of the building Certificate of Code of Compliance for the new bridge. Compounding this was the export market at low levels throughout the period. Profit will improve in the Q3 period with harvesting due to finish at the end of Q4.

Marsden

Harvesting began in December, large up-front costs were associated with the crew standing down until the resource consent was issued. This harvesting is progressing well, and will continue into early-March on the climbing export market.

4. Forest Management

Forest Budget	Q2 Actuals (\$)	YTD (\$)	Annual Budget (\$)
Roading	10,973	31,752	27,792
Land Preparation	967	967	39,054
Establishment	3,689	7,942	3,134
Tending	32,533	32,533	38,929
Protection	9,649	9,769	22,929
Property Maintenance	784	784	1,390
Forest Mgmt	10,283	17,824	3,475
Monthly Admin fee	3,490	7,130	20,000
NCC Valuation	0	4,287	4,400
FSC Management	0	10,225	7,000
Misc Consulting	4,098	12,298	40,000
Tantragee Hazardous Trees	13,681	201,735	0
TOTAL	90,148	337,246	208,103

Operational Update

Roadside spraying was completed at the Roding and Brook forests.

Fertilising was completed at Roding and Maitai forests.

Q3 will be a quiet quarter on forest management.

Alternative species update – 5 Nov 21 – 14 Feb 22

Forest	Compartment	Update 5 November 2021
Brook	29/01 (above the houses)	<ul style="list-style-type: none"> Seedling growth slow.
Brook	22/08	<ul style="list-style-type: none"> Seedling growth slow. A release proposed in the next month.
Brook	22/02 & 22/06	<ul style="list-style-type: none"> Weed regeneration. Aerial spray proposed in late summer-early autumn.
Brook	22/02	<ul style="list-style-type: none"> 2019 and 2020 plantings looking good.

A2853832