



**Notice is given of a Mackenzie Forestry Board Meeting to be held on:**

**Date: Tuesday, 21 May 2019**

**Time: 9.30am**

**Location: Council Chambers Fairlie**

# **AGENDA**

## **Mackenzie Forestry Board Meeting**

**21 May 2019**

**Suzette van Aswegen  
Chief Executive Officer**

**Forestry Committee Membership:**

Mayor Graham Smith (Chair)

Stuart Barwood

Chris Clarke

Anne Munro

\*\*\*\*\*

**The purpose of local government:**

(1) The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

(2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- (a) efficient; and
- (b) effective; and
- (c) appropriate to present and anticipated future circumstances.

(Local Government Act 2002)

**Order Of Business**

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**1 OPENING**

**2 APOLOGIES**

Cr Anne Munro

**3 DECLARATIONS OF INTEREST**

**4 VISITORS**

## 5 REPORTS

### 5.1 MINUTES OF FORESTRY COMMITTEE MEETING - 28 FEBRUARY 2019

**File Reference:** PAD

**Author:** Charlotte Borrell, Governance Advisor

**Authoriser:** Stuart Grant, Acting General Manager Corporate Services

**Attachments:** 1. Minutes of Forestry Committee Meeting - 28 February 2019  

#### RECOMMENDATION

That the Minutes of the Forestry Committee Meeting held on Thursday 28 February 2019 be received and adopted as a true and accurate record of the meeting.



# **MINUTES**

## **Mackenzie Forestry Board Meeting**

**28 February 2019**

**MINUTES OF MACKENZIE DISTRICT COUNCIL  
MACKENZIE FORESTRY BOARD MEETING  
HELD AT THE COUNCIL CHAMBERS, FAIRLIE  
ON THURSDAY, 28 FEBRUARY 2019 AT 8.30AM**

**PRESENT:** Mayor Graham Smith (Mayor), Cr Stuart Barwood (Councillor), Cr Chris Clarke (Councillor), Cr Anne Munro (Councillor)

**IN ATTENDANCE:** Paul Morris (Group Manager Finance), Terry O'Neill, by phone (District Forester), Charlotte Borrell (Committee Administrator).

**1 OPENING**

The Mayor welcomed everyone and opened the meeting.

**2 APOLOGIES**

Kevin O'Neil (Forestry Manager)

**3 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**4 VISITORS**

There were no visitors.

**5 REPORTS**

**5.1 MINUTES OF FORESTRY COMMITTEE MEETING - 20 NOVEMBER 2018**

Cr Munro noted that it was Cr Barwood that was water tabling at foxes peak not herself. The minutes are updated to show this correction.

**COMMITTEE RESOLUTION MFB/2019/48**

Moved: Cr Chris Clarke

Seconded: Cr Anne Munro

1. That the Minutes of the Forestry Committee Meeting held on Tuesday 20 November 2018 be received and adopted as a true and accurate record of the meeting with the above correction.

**CARRIED**



**5.2 FORESTRY BOARD FINANCIAL REPORT TO JUNE 2018****PURPOSE OF REPORT**

The Financial Report for the Mackenzie Forestry Board for the period ending December 2018.

Paul Morris (Group Manager Finance) spoke to the report. The Mayor queried insurance and rates not budgeted for. Mr Morris said it is an error and will be corrected.

The committee discussed the costings of tree purchases, planting and spraying and the percentage likely to make it to maturity.

The Mayor noted the council did well out of the harvesting and have also come out with a better species as a replacement.

**COMMITTEE RESOLUTION MFB/2019/49**

Moved: Cr Stuart Barwood

Seconded: Cr Chris Clarke

1. That the report be received and information noted.

**CARRIED****5.3 FORESTRY MANAGER'S REPORT**

The Committee commended Kevin O'Neil on his work.

**COMMITTEE RESOLUTION MFB/2019/50**

Moved: Cr Anne Munro

Seconded: Cr Stuart Barwood

That the information be noted.

**CARRIED**

#### 5.4 GENERAL BUSINESS

**Harvesting:** Terry O'Neill identified the Douglas Fir adjacent to the areas in his report are a year older but don't have same urgency as the creek is not running through there. It is on the long term plan for harvesting. The Woodburn Douglas Fir will be coming on line and will give a more consistent flow of Douglas Fir. The loggers will start around April/May and have it cleaned up by the end of financial year.

**Wilding trees:** Pukaki still an issue and there is budget set aside for this. This land is part of the land swap. Spraying the perimeter and chipping the trees may be a more cost effective option.

**Simons Hill:** There was discussion around how the self-growing Muricata trees could be dealt with. Mr O'Neill will get contractors in to pull/cut larger trees. The trees need to be large enough to remove them all but it becomes more expensive when they are much larger. This is a preferred option to spraying as that can risk overspray onto the crop trees.

The committee agreed Kevin O'Neil will to provide updates and options regarding the Simons Pass Muricata at the next Forestry Committee meeting.

There was discussion around property owner Dan Davies who has approx. 2ha of his land which was planted in trees by the council due to boundary lines not being clear. Mr Davies is happy for the trees to remain on that land. It was agreed Paul Morris would write this letter to Mr Davies to formalise this.

##### COMMITTEE RESOLUTION MFB/2019/51

Moved: Cr Stuart Barwood

Seconded: Cr Anne Munro

1. That the information be noted.
2. That the Group Manager Finance write to Mr Dan Davis to formalise a lease for land currently owned by Mr Davis, planted in Council trees. The committee also instructed the Mayor to contact Mr Davis to confirm the current situation and Councils proposal before the letter is sent.

**CARRIED**

**6 PUBLIC EXCLUDED****RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION MFB/2019/52**

Moved: Cr Anne Munro

Seconded: Cr Stuart Barwood

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>6.1 - Mackenzie Basin Harvesting and Log Sales</b>	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**CARRIED****COMMITTEE RESOLUTION MFB/2019/53**

Moved: Cr Anne Munro

Seconded: Cr Stuart Barwood

That Council moves out of Closed Council into Open Council.

**CARRIED**

**The Meeting closed at 9.18am.**

**The minutes of this meeting were confirmed at the Mackenzie Forestry Board Meeting held on 21 May 2019.**

.....  
**CHAIRPERSON**

**5.2 FORESTRY BOARD FINANCIAL REPORT TO MARCH 2019****File Reference:** FIN**Author:** Paul Morris, Group Manager Finance**Authoriser:** Suzette van Aswegen, Chief Executive Officer**Attachments:** 1. Forestry Report for March 2019 [↓](#) **PURPOSE OF REPORT**

The Financial Report for the Mackenzie Forestry Board for the period ending March 2019.

**STAFF RECOMMENDATIONS**

1. That the report be received and information noted.

**BACKGROUND**

Attached is the financial report for the Mackenzie Forestry Board.

SUZETTE VAN ASWEGEN

**CHIEF EXECUTIVE OFFICER**

Mackenzie District Council  
Finance Report  
For The Period Ended March 2019

FORESTRY		YTD Actual March 2019		YTD Budget March 2019	Variance	Variance %	Full year Budget 30/06/19
LYTD Actual March 2018							
	Income						
198,872	Other Income	661,787	125,253	536,534	428%	✓	167,000
-	Internal Income	(33,165)	(33,165)	-	0%	✓	(44,218)
60,876	Internal Interest Income	70,838	-	70,838		✓	-
<b>259,749</b>	<b>Total Income</b>	<b>699,460</b>	<b>92,088</b>	<b>607,372</b>			<b>122,782</b>
	Expenses						
4,815	Consultancy Expenses	11,349	11,250	(99)	-1%	✗	15,000
23,001	Administration Expenses	23,368	-	(23,368)		✗	-
55,736	Operational and Maintenance	123,586	1,953	(121,633)	-6228%	✗	2,600
<b>83,552</b>	<b>Total Expenses</b>	<b>158,304</b>	<b>13,203</b>	<b>(145,101)</b>			<b>17,600</b>
<b>176,196</b>	<b>Operating Surplus/(Deficit)</b>	<b>541,157</b>	<b>78,885</b>	<b>462,272</b>			<b>105,182</b>

**Variance Analysis:**

1. Other income is significantly higher than budget as \$281,908 was received from the sale of 12,814 carbon units at \$22 each, and an additional \$409,241 of carbon credits were generated during the year.
2. Internal interest income is interest on the capital reserve account. The balance is significantly higher than budgeted due to the unbudgeted timber sales, carbon unit sales and higher forestry revaluation in the previous year.
3. Insurance and rates totalling \$23,368 to date have not been budgeted for this year.
4. Operational and maintenance expenses are significantly higher than budgeted as the plantations have been sprayed, thinning in the Fox Peak block, trees have been purchased and planted in the Simons Pass block and windrowing in the plantation costing \$16,775 to minimise the fire risk.

Mackenzie District Council  
Finance Report  
For The Period Ended March 2019

LYTD Actual March 2018	FORESTRY	YTD Actual March 2019	YTD Budget March 2019	Variance	Variance %	Full year Budget 30/06/19
	Operating and Capital Reserves					
176,196	Operating Surplus/(Deficit)	541,157	78,885			105,182
176,196	Total Operating Reserves	541,157	78,885			105,182
	Equity					
5,369,799	Opening Balance	6,299,902	4,027,347			5,369,799
-	Transfer - from Operating Reserve	-	33,165			44,218
5,369,799	Total Capital Reserves	6,299,902	4,060,512			5,414,017

**5.3 FORESTRY MANAGER'S REPORT****File Reference:** PAD**Author:** Kevin O'Neill, Forestry Manager**Authoriser:** Paul Morris, Group Manager Finance**Attachments:**  
1. Kevin O'Neills Forestry Report - February 2019    
2. Kevin O'Neills Forestry Report - March 2019  **STAFF RECOMMENDATIONS**

That the information be noted.

**BACKGROUND**

Attached are the Forestry Manager's reports for February 2019 to March 2019.

SUZETTE VAN ASWEGEN

**CHIEF EXECUTIVE OFFICER**

**Kevin O'Neill's Time & Travel Log  
February 2019**

February	Hrs	Kms	Details
1	1		Spoke with Guy McFetterich from Netcom. Gave him permission to cut 4 or 5 trees out from near power lines going through Woodburn East plantation. Informed Graham Willetts whose land they will cross to access this area of the plantation. Also discussed with Graham about the cutting and baling of the roadside to reduce the fire hazard at Woodburn.
4	3.5	59	Met Kurt Crisp at Fox Peak to check on thinning progress.
6	1.5		Spoke with Robin Wilson also from Netcon about entering Woodburn East with a digger to excavate round power poles to check for soundness at the base. Received map of bare land areas remaining at Fox Peak that could be planted. Delivered map to Josh Roxbrough of Prosser Heli who will do a fly over tomorrow to see if spraying for replanting by helicopter is cost effective.
8			Nick Hanns of Plains Orienteering Club contacted me about the making a start in mapping Woodburn Plantation in preparation for a club exercise.
13	2.5		Invoices and office work. Spoke with Graham who has spoken to Dan Davies about the fact that some of our trees are on his land. He is quite relaxed as he understands he may irrigate some land that is not his. Do we need to write up a memorandum to go with an official contract for future reference. Discussed Terrys and my visit with Point Lumber to Burkes Pass, Sandy Cutting, Tekapo Gun Club, Godley Road and Simons Hill on harvest methods and which blocks we should harvest.
21			Discussed with Terry prices received for Tekapo and the top of Burkes Pass plantations.
TOTAL	8.5	59	



### Kevin O'Neill's Time & Travel Log March 2019

March	Hrs	Kms	Details
6	8.5	64	<p>Meet Ian McDonald at Fox Peak to look at areas that could be planted with Attenuata pines. He suggests the most cost effective way would be spot spraying after planting if using pines. Pines would be capable of catching the Douglas fir and being harvested at the same time.</p> <p>Don and I looked at areas with no trees at Fox Peak and in light of the fact that it is leased out for grazing, we recommend that the three bare areas that are surrounded by a permanent fence could be planted and stock be kept out of this area. This would have to be done in consultation with the lease, as access to the leased area would have to be through the area planted in new trees. It may require a holding paddock to be fenced at the bottom of the block using some of the bare ground that could be planted. This area could again be grazed after five or six years. The bulk of the other areas are swampy areas where trees found it too wet to establish when first planted.</p> <p>While there, Don and I did plots 3, 4, 5, 6 and 8 in the top North East corner the rest of the area remains to be thinned. The water tabling done on the track in December by Nigel Blair is working well at present.</p>
11	1		Visited Ian McDonald and get spray options ready for trial spraying at Simons Hill.
12	6	167	<p>Don and I to Simons Hill to do mortality counts. Did mortality counts in three blocks.</p> <p>Block A – 85% survival Block B – 91% survival Block C – 78% survival</p> <p>Muricata wildings 5 to 6 per square metre in a few concentrated areas but overall not too many showing up at present. These wildings are only 2 to 5 inches in height so hopefully the planted trees may be too strong for the wildings.</p>
14			Asked Terry for maps of Simons Hill plantation to fill in separate areas of mortality counts and for Don to plot GPS spot where patches of broome need spraying.
15	0.5		<p>Rang Ross McLeod to discuss fencing at Simons Hill. Rang Kurt Crisp who has now finished plots 1 and 2 at Fox Peak has only a week left to finish 2019 thinning in that plantation.</p> <p>Rang Murray Bell, the leasee at Cabuie to inform him of a start of thinning in the last block left to thin there.</p>
28	1		Office and Invoices.
<b>TOTAL</b>	<b>17</b>	<b>231</b>	

**5.4 GENERAL BUSINESS****File Reference:** NA**Author:** Charlotte Borrell, Governance Advisor**Authoriser:** Stuart Grant, Acting General Manager Corporate Services**Attachments:** Nil**STAFF RECOMMENDATIONS**

That the information be noted.

**BACKGROUND**

The chair has asked to discuss the following matters:

There will be a verbal forestry report from Terry O'Neill.

- Woodburn logging
- Update on carbon credits
- Survival rates in Simons Pass forestry block
- Leases
- Forestry block 4038 wilding trees
- Cave forestry investigation

SUZETTE VAN ASWEGEN

**CHIEF EXECUTIVE OFFICER**