



**TO THE MAYOR AND COUNCILLORS OF THE  
MACKENZIE DISTRICT COUNCIL**

**Membership of the Mackenzie Forestry Board:**

Cr Graham Smith(Chairman)

Cr Noel Jackson

Cr Evan Williams

Cr Murray Cox

*Notice is given of the meeting of the Mackenzie Forestry Board  
to be held on Thursday, October 16, 2014, at 9.30am.*

**VENUE:** Council Chambers, Fairlie.

**BUSINESS:** As per agenda attached

WAYNE BARNETT  
CHIEF EXECUTIVE OFFICER



## MACKENZIE FORESTRY BOARD

Agenda for Thursday, October 16, 2014, at 9.30am

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### APOLOGIES

### DECLARATIONS OF INTEREST

#### VISITORS:

Terry O'Neill, district forester, Ashburton District Council, will attend the meeting (report to be tabled).

#### MINUTES:

Confirm and adopt as the correct record the minutes of the Mackenzie Forestry Board meeting held on June 10, 2014, including such parts as were held with the public excluded.

#### REPORTS:

1. Forestry Manager's Report: April to August 2014 (attached).
2. Finance Manager's Report (attached).

#### PUBLIC EXCLUDED:

Resolve that the public, be excluded from the following part of the proceedings of this meeting namely:

1. Discussion of the previous minutes of the Mackenzie Forestry Board, June 10, 2014, taken in public excluded session.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Previous minutes of the Mackenzie Forestry Board, June 10, 2014.	Commercial sensitivity Enable commercial negotiations	48(1)(a)(i)

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This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Previous minutes of the Mackenzie Forestry Board under section 7(2)(b)(i) and section 7(2)(i).*

### RESOLUTION TO RESUME OPEN MEETING

## **MACKENZIE DISTRICT COUNCIL**

### **MINUTES OF A MEETING OF THE MACKENZIE FORESTRY BOARD HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY, JUNE 10, 2014, AT 9.00 AM**

#### **PRESENT:**

Cr Graham Smith (Chairman)  
Cr Murray Cox  
Cr Noel Jackson – from 9.05am

#### **IN ATTENDANCE:**

Claire Barlow (Mayor)  
Paul Morris (Manager – Finance and Administration)  
Wayne Barnett (Chief Executive)  
Kevin O'Neil (Forestry Manager)  
Arlene Goss (Committee Clerk)

#### **APOLOGIES:**

Resolved that an apology be received from Cr Evan Williams and Cr Noel Jackson who apologised for lateness.

**Graham Smith/Murray Cox**

#### **DECLARATIONS OF INTEREST:**

There were no declarations of interest.

#### **VISITORS:**

Howard and Sharon Jackson were at the meeting to speak regarding the public excluded item 'Forestry Block, Corner Clayton and Perry Roads'. The chairman invited them to speak in the public session, with council debate to occur later under public excluded.

The Jacksons have approached the Forestry Board offering to buy the forestry block on the corner of Clayton and Perry Roads, which is bordered on both sides by their farm.

Howard Jackson introduced himself and outlined his existing farming operations.

*Cr Jackson joined the meeting at 9.05am.*

The chairman said this is freehold land. It is a strategic asset and consequently council couldn't sell it without some public consultation. The full council would need to make the decision to sell, but the role of the Forestry Board was to recommend to council whether it be sold or not.

Cr Jackson asked what the Jackson's long term plans for the land were. Mr Jackson said it would not be kept as a forestry block. His plan was to irrigate and milk cows on half the land and winter cows on the other half. Irrigation would be by centre pivot.

Cr Cox asked if the Jacksons considered it better to buy the land with the trees on it or for council to remove the trees first. Mr Jackson said this and other issues would need to be worked through.

The Mayor asked if the Jacksons were aware of the changes coming regarding nutrient loading. Mr Jackson said yes and at the moment he has a low nitrogen load on his farm.

The Jacksons are currently farming on both sides of this block with an agreed access through the plantation.

Finance Manager Paul Morris said any sale of a strategic asset is difficult because of consultation process. It would be best to do this process as part of the Long Term Plan. His research on this land shows it is subject to some interests including Mining Act and the Coal Mines Act, but he couldn't find these Acts so assume they have been repealed. This land is also subject to the Climate Change Response Act 2002 so is included in council's carbon credit policy.

The trees are 24 years old and have been valued at \$576,000 today, which is a third of the value if they were fully grown, assuming log prices are the same then as today.

The Jacksons are aware of the need to put this through the Long Term Plan next year and are in agreement on this.

The chairman said the council needs to consider what forestry is worth to the community as a forest and what its worth to the community as cash. Also issues around cutting down trees and climate change.

The chairman thanked the Jacksons for coming to the meeting and for their proposal. The Jacksons left the meeting so a discussion could be held in public excluded.

## **PUBLIC EXCLUDED:**

Resolved that the public, be excluded from the following part of the proceedings of this meeting namely:

1. Discussion of the previous minutes of the Mackenzie Forestry Board, March 20, 2014, taken in public excluded session.
2. Forestry Block, Corner Clayton and Perry Roads.
3. Lease agreement Wreford's Block.
4. Forestry Block, Corner Hamilton and Strathallan Roads.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Previous minutes of the Mackenzie Forestry Board, March 20, 2014.	Commercial sensitivity	48(1)(a)(i)
Forestry Block, Corner Clayton and Perry Roads.	Enable commercial negotiations	48(1)(a)(i)
Lease agreement Wreford's Block	Enable commercial negotiations	48(1)(a)(i)
Forestry Block, Corner Hamilton and Strathallan Roads	Enable commercial negotiations	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Previous minutes of the Mackenzie Forestry Board under section 7(2)(b)(ii). All other items under section 7(2)(i).*

**Murray Cox/Graham Smith**

*The meeting continued in public session.*

## **MINUTES:**

Some corrections to the previous minutes were noted by Forestry Manager Kevin O'Neil.

On page 6 of the agenda, in the top paragraph, the clause that we would pay to fix the fence if trees fall down over it needs to have added that council would only take responsibility for trees going over the fence, not for animals pushing through the fence.

On page 5 of the agenda under the item Maps of Mackenzie Forestry for new Members the following changes are to be made:

Paragraph 3: "...noted that some trees at Twizel are not suitable for anything except firewood." The correct version is "...noted that some trees at Simons Pass are not suitable for anything except firewood, namely *Muricata*."

Paragraph 3: "The next stream of income would be pruning Corsican Pine..." The correct version is "The next stream of income would be thinning Corsican Pine."

Paragraph 5: "It received some wind damage a few years ago and was thinned out." The correct version is "It received some wind damage a few years ago and was milled and replanted."

Resolved that the minutes of the meeting of the Mackenzie Forestry Board held on March 20, 2014, including such parts as were taken with the public excluded, be confirmed and adopted as the correct record of the meeting subject to the changes noted above.

**Graham Smith/Murray Cox**

## **MATTERS ARISING:**

Cr Smith has spoken to IT Manager Stephen Barlow regarding maps for the forestry board members and has not seen these yet.

Regarding the milling of Forresters Block, this has not happened yet due to difficulties with Alpine Energy. The chairman is disappointed about this. Now the ground is wet and the adjoining property has been sold. Kevin O'Neill said his dealings on this matter are noted in his report to the board.

The chairman has not seen a lease for Wreford Block yet. He would like to settle this lease before this is re-planted. Spraying has not occurred due to bad weather. However, the fence has been stock proofed.

## **REPORTS:**

### **FORESTRY MANAGERS REPORT TO DECEMBER, 2013:**

The Forestry Manager went through his report with the board.

### **FINANCE MANAGERS REPORT:**

The Finance Manager asked for any questions. The planting and milling costs are above budget because council didn't anticipate winds blowing over trees that then needed to be milled and re planted. The figures look good. Council sits in credit with its forestry. Cr Cox asked whether wind damage is a risk that can be insured. The only insurance we have is for fire. Wind is considered an act of God.

Resolved that the report be received.

**Graham Smith/Murray Cox**

**THE CHAIRMAN DECLARED THE MEETING CLOSED AT 10.00am**

**CHAIRMAN:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

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

### April 2014

April 2014	Hrs	Kms	Details
4	2.5	24	Came to an agreement with Quentin Wreford about reinstatement of fences up Nelsons Road and boundary with his property. His contractor will do the boundary and our contractor will reinstate up Nelsons Road.
8	2		Tony Henderson contacted me to say he has been in touch with Andrew Toomes (Alpine Energy CEO) and they can turn the power off to fell at Cave if they have three days notice. Contacted Alan Laurie, Shaun Sloper, Ricki Cook, Graham Smith, Terry O'Neill, Neville and James Forester and Paul Marshall to say we are all set to go. Ricki Cook is prepared to bring a machine on site to clear the area close to the lines at anytime.
10	1.5		Tony Henderson rang back to say Willham the engineer has been in touch to say his staff are busy and the power cannot be turned off. Had to contact all involved to say there is no start date.
11	0.5		Graham Smith and I had a conference call with Alpine on future direction.
30	5.5		Attended field day with Claire Barlow and Graham Smith at Andrew Simpsons. Of special interest was the growth rates of Attenuata Pines in dry high country conditions.
<b>TOTALS</b>	<b>12</b>	<b>24</b>	

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

### May 2014

May 2014	Hrs	Kms	Details
5	1		Met Ian McDonald to discuss spraying programme for Cabuie, Strathallan and Dobson Plantations.
7	1		Reported to Terry: Fieldday at Simpsons Leasing of land at Cave Spraying cutover at Cave Planting contract and tree purchase for Cave Replacement Corsicans for Tekapo to order
8	4	37	Met Paul Whearty to look at the creek that needs cleaning at Strathallan. Contacted local contractors to see who may have a digger handy in the next couple of months. Looked at creek at Cabuie to see if any areas may need cleaning. Graham Smith discussed Howard Jacksons purchase proposal with me.
9	0.5		Laurie Williams rang about stock numbers being exceeded at Fox Peak. Bulls mixing both ways. Fence maintenance needs to be looked at. Geoff Horler mentioned there could be a problem with cattle having access to the creek at Cabuie.
14	1		At Graham Smiths request, supplied the following information: 1. The insurance value of Woods block is \$577,000.00. 2. Total area 120 ha, 115 ha stocked. Cave harvest figures: 1. Total area 5 ha, 4.5 ha stocked and harvested. 2. 2500 jas metres harvested for \$136,850.00 nett. 3. +1,800 tonne of firewood.
16	2		Visited Cave with Peter McMurtrie to look at fencing job and material I need to purchase. Reported to Terry the dominant noxious weeds that need spraying before planting. Estimate about 11,000 trees required at 4 x 2 spacings to replant.
17			Sam Bell reported all cattle have been moved out of Fox Peak at the moment.
21	3	83	To Tekapo to check mortality rates in last years plantings of Corsicans. Will order about 200 for replacements. Trees are looking good. A great strike. Contacted Don McConchie to help me plant as too far away to get planters to travel for a few trees. Also discussed Contorta control.
22	0.5		Met with Wayne and Paul about sorting titles or further leasing of felled area at Cave before spraying and replanting.
25	4		January, February, March Forestry Reports.



29	1.5		<p>Rang Terry about ordering spray for Cave cutover. Will use double rate of glyphosphate 12 litres per hectare. Next spray will be over the newly planted seedlings using Valpar and Gardoprim.</p> <p>Spoke with Stu McIntosh about position of roadside fence up Nelsons Road, also about his interest in leasing or buying the cutover block if possible.</p> <p>Discussed this with Graham Smith and Paul.</p>
30	2.5	50	<p>Met Graham Smith and Stu McIntosh at Cave Plantation. Looked at roadside fence that has been moved out by Quentin Wreford. Also the possibility of him being able to lease or buy the block. Decided on setback from Nelsons Road, just inside stump line of old crop.</p> <p>Graham and I walked the boundary between Wrefords and the Forestry Block to see if the fence could be rerouted around the creek rather than crossing the creek requiring two floodgates. We discovered a fence has at sometime in the past been erected around the creek, but is overgrown with gorse and broom, so will try and release the fence when spraying is carried out before planting.</p> <p>I then met with Quentin Wreford to inform him of our proposed plans to proceed.</p>
<b>TOTALS</b>	<b>21</b>	<b>170</b>	

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

### June 2014

June 2014	Hrs	Kms	Details
3	1		Spoke with Terry re helicopter flying a little wider to catch the gorse where the creek cuts close into the hill on Wrefords boundary. This would help clear the overgrown fence. Also, to keep well in from the boundary by the Lucerne as Quentin intends to spray the odd bush that appears himself. Contacted Don McConchie about cutting out further around the edges of Tekapo Plantation.
4	2		Spoke with Wayne and Paul about jobs in progress. <ol style="list-style-type: none"> <li>1. Land ownership and titles – do we sort out titles or lease for a further 25 to 30 years.</li> <li>2. Roadside fence been moved out. Did Quentin gain permission?</li> <li>3. Position of boundary fence between Wrefords and Council.</li> <li>4. Spraying of block scheduled for this week.</li> <li>5. Roadside fencing tomorrow.</li> <li>6. Planting within two weeks.</li> <li>7. Picked up fencing requirements for Cave.</li> </ol>
5	8	59	Carted fencing to Cave. Helped Peter McMurtrie reinstate fencing on both sides of Nelsons Road. Met Quentin Wreford who informed me that his contractor was not prepared to work on the boundary between himself and Council unless the gorse and broom were cleared. As we made good time in fixing the roadside fences, Peter McMurtrie was very obliging and offered to fix the boundary as well. As Quentin was going away and we were planting within two weeks, we need the boundary stockproof. Met again with Quentin to inform him that we had stock proofed the boundary and that the area would be sprayed and planted while he was away.
6	2		Office work and invoices. Rang Ed Pawsey about getting contractors to shoot around Burkes Pass plantations both sides of the road while shooting their own blocks.
7	0.5		Had an approach from Chad Steetscamp about buying Strathallan Plantation. Informed him to write to the Forestry Board. Spoke to Paul about checking land ownership before forestry board meeting.
9	0.5		Discussed forestry board agenda with Terry O'Neill and asked for him to order 200 corsican pines from Organ Nurseries for replacements at Tekapo.
10	2.5		Forestry Board meeting and office.

11	3.0		April, May Forestry Board Reports.
13			Had approach from Aaron Reid to buy Strathallan Plantation. Told him to write to the Forestry Board also.
17	1.5	24	Met Paul and Eunice Taylor at Dobson Plantation about obtaining firewood for their hot tubs. Was able to make other suggestions.
18	3.5	25	Met Mike Small from Brent Kirchers planting gang. Walked the block to sort out setbacks from boundaries. 12 metres back from Nelsons Road. 6-8 metres back from Wrefords boundary. Inside stump line along Main Road. 10 metres back from established plantation and Nelsons Road where it joins SH8. Cut gorse and broom off boundary between Council and Wrefords Block.
20	3	24	To Cave. Planters will have 7000 planted by tonight. Inspected quality of planting spacings etc and spoke with the men on the job.
24	1		Planters finished at Cave. 9600 planted in total. Invoices and office. Reported progress to Graham.
29	2.5		June Forestry report.
<b>TOTALS</b>	<b>31</b>	<b>131</b>	

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

### July 2014

July 2014	Hrs	Kms	Details
4	0.5		Spoke with Ed Pawsey and Mike Guerin to arrange a contractor to shoot rabbits at Burkes Pass.
7	1.5	24	Checked on creek clearing job done at Strathallan.
8	4	93	<p>Meet Don McConchie and walked the boundaries of Tekapo Plantation where he is felling contorta wildings within 150 metres of the boundaries of DOC and also the sunny facing above the transfer station. He is doing a great job at a very reasonable price.</p> <p>Gave permission for him to carry on another days work.</p> <p>Most of this work has taken place in an area we cleared of trees and replanted with radiata to prevent the spread of wildings on DOC land next door.</p> <p>During this inspection we made one of the most unusual discoveries I have seen in all my years in the job.</p> <p>A camp site, 11 chairs, Christmas decorations still hanging in the trees, a camp fire and mattresses. A very dangerous situation in the middle of a plantation in the hot dry Mackenzie mid summer surrounded by dry pine needles.</p> <p>Looks as though they will be back come Christmas.</p> <p>There is also about 60 contorta around the Cemetery which need removing. Will talk to Garth about their removal.</p>
9	2		Office and invoices.
11	0.5		<p>Spoke with Andrew Holmwood for the first time. He is the new owner of the adjoining plantation with ours down Cannington Road.</p> <p>Discussed the past history action taken and contract connections made so far, after our attempt to mill fell through due to problems to get power turned off by Alpine.</p>
21	.75		<p>Met Garth Nixon to discuss the removal of Contorta wildings around Tekapo Cemetery. Garth to arrange with Don McConchie.</p> <p>Had a ring from Khan Adam who we have used when dealing with XL. He is now contracting with his own business – <a href="http://highcountrycontracting.co.nz">highcountrycontracting.co.nz</a>. Pest control, noxious weeds and wilding control.</p>
22	1		<p>Had a ring from Wilhelm Rawlin of Alpine who would now like to proceed with milling in Cannington Road before milking season starts.</p> <p>Contacted Graham Smith, Terry O'Neill, Alan Laurie and Point Lumber. All say with the short notice and the fact the price has dropped from \$120.00 to \$70.00 per tonne for top grade logs and the private adjoining plantation is now only worth firewood because it has been on the ground too long we will not proceed in the meantime.</p>

28	1		Informed Graham Smith that Terry has tried FML as they have logging gangs looking for work after 12 months of not being able to cope with plantations needing to be removed, as they may cut logging costs for work. Andrew Holmwood has started taking fallen trees out himself for firewood. Alan Laurie has written the plantation off for export. Informed Wilhelm Rawlin of same.
<b>TOTALS</b>	<b>11.2 5</b>	<b>117</b>	

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

### August 2014

August 2014	Hrs	Kms	Details
5			Arranged for Don McConchie to help plant trees at Tekapo.
7	2	33	Inspected Strathallan, Ashwick School and Cabuie boundaries after spraying.
8	0.25		Spoke with Steve Williams, the new man from Alpine in charge of trees near power lines. He wishes to take 6 to 8 trees off the edge of Strathallan Plantation to clear powerlines. They have been cut back in the past, but really need to come out.
9	0.25		Reported recent activities to Graham Smith.
18	2		July Forestry report.
27	4.5	92	Took 200 corsicans to Tekapo. Met Don McConchie and planted them. Inspected the contorta control on the hill above the Transfer Station.
			Three quarters of the hill done needs another 1 ½ days to complete the facing and 150 metres above the track leading to the Transfer Station where Oaks have been planted.
			While planting, spoke to a local riding his four wheeler along the track we restored after planting.
			Maybe the Community Board may consider signage to prevent motorbikes and four wheelers using the track, being a danger to walkers due to blind spots on the track and also to protect the shingle we carted in by small trailers being thrown off the track.
<b>TOTALS</b>	<b>9</b>	<b>125</b>	

## **MACKENZIE DISTRICT COUNCIL**

**REPORT TO:** FORESTRY BOAD  
**SUBJECT:** FINANCIAL REPORT – AUGUST 2014  
**MEETING DATE:** 16 OCTOBER 2014  
**REF:** FIN 1/2/3  
**FROM:** MANAGER – FINANCE AND ADMINISTRATION  
**ENDORSED BY:** CHIEF EXECUTIVE OFFICER

### **PURPOSE OF REPORT:**

Attached is the financial report for the Forestry Board for the period to August 2014, the purpose of which is to update Board members on the financial performance of the Forestry Board as a whole for that period.

Commentary will be provided for any significant variances.

### **STAFF RECOMMENDATIONS:**

1. That the report be received.

<b>PAUL MORRIS</b>	<b>WAYNE BARNETT</b>
<b><u>MANAGER – FINANCE &amp; ADMINISTRATION</u></b>	<b><u>CHIEF EXECUTIVE OFFICER</u></b>

**Mackenzie District Council  
Forestry Activity Report  
For The Period Ended August 2014**

	LYTD Actual August 2013	YTD Actual August 2014	YTD Budget August 2014		Full Year Budget 30/06/15
<b>Forestry</b>					
<b>Income</b>					
Internal Interest Income	2,312	-	3,924	✗	23,105
Other	94,340	-	-	✓	34,000
Rental Income	5,007	5,660	164	✓	988
<b>Total Income</b>	<b>91,646</b>	<b>5,660</b>	<b>4,088</b>	✓	<b>58,093</b>
<b>Expenses</b>					
Forestry Services	9,000	6,000	5,500	✗	33,000
Impairment Forestry Carbon Units	-	-	-	✓	30,000
Insurance	790	-	1,000	✓	6,000
Log Extraction	-	-	-	✓	10,000
Other Expenses	-	-	2,666	✓	16,000
Pest Control	3,280	-	-	✓	-
Plantation Spraying	-	420	-	✗	-
Planting	8,169	2,025	5,100	✓	5,100
Rates	242	232	7,400	✓	7,400
Releasing	-	-	-	✓	6,000
Repairs and Maintenance	-	112	2,616	✓	15,700
Silviculture	-	-	-	✓	14,400
Tree Purchase	-	1,808	-	✗	-
Windrowing	6,406	-	-	✓	1,200
<b>Total Expenses</b>	<b>27,402</b>	<b>10,133</b>	<b>24,282</b>	✓	<b>144,800</b>
<b>Total Forestry</b>	<b>64,244</b>	<b>4,473</b>	<b>20,194</b>	✓	<b>- 86,707</b>