

Public Excluded

Report No PE-00.406

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Report to the Utility Services Committee
From Barry Leonard, Manager, Plantation Forestry

Replanting of the Pakuratahi East Forest

1. Purpose

To obtain approval to replant those blocks within the Pakuratahi East Forest which have been harvested.

2. Exclusion of the Public

Grounds for exclusion of the public under section 48(1) of the Local Government Official Information Act 1987 are:

That the public conduct of the whole or relevant part of the meeting would be likely to result in the disclosure of information for which good reasons for withholding exists, i.e. to carry on commercial negotiations.

3. Background

In late 1999 Council went to tender for the harvest of approximately 200 hectares of mature trees within the upper Pakuratahi East Forest. The successful tenderer was Rayonier NZ Ltd. Rayonier also held the contract for the harvest of the lower section of this forest. Harvesting commenced in September and to date has produced approximately 30,000t for a net income before roading of \$832,000

Logging to date has been centred on The Back Road and thus, with the exception of Blocks 10 and 17, is generally out of sight of the Incline Walkway.

The approved Forest Working Plan specifies that felled areas will be replanted during the winter following harvest except where lack of fertility or other factors prevent satisfactory growth.

4. Environmental Issues

At the time the present blocks were planted, the prime environmental benefit sought was to limit erosion and to produce a commercial crop in place of gorse which was at that time seen as a pest plant. As a consequence little cognisance was paid to the need to protect waterways and in most cases crop trees were planted right up to the stream banks.

Current practice is to leave a riparian strip of up to 10 metres each side of the waterway and this standard will be applied to the replanting with a resultant reduction in the overall area to be included in the second rotation.

The area also includes a “wetland” area between Block 10 and the Incline walkway. The present road access above the wetland will be maintained and the cutover area between the road and the wetland will be permitted to regenerate with native vegetation. This will provide a better buffer on the foot of the hill to protect the wetland during the next harvest.

The Environment Division has considered the proposals. They support the move towards protecting the wetland and riparian areas and have agreed to work with us to continue to improve environmental practices.

5. Heritage Issues

A number of the blocks in this forest abut the Rimutaka Incline Walkway. The walkway alignment includes a number of bridge abutments, culverts, and cuttings which are representative of construction methods at the turn of the century. Any harvesting which uses the walkway for access or intrudes onto the walkway must be carried out in such a manner that these items are protected from damage.

6. Recreational Issues

The walkway presents an easy grade for walkers and mountain bikers and the surrounding mixture of exotic plantation forests, regenerating native vegetation and areas of grass/gorse and blackberry adds to the experience. At given points along the walkway the surrounding land falls away to give views of the Pakuratahi River and hillsides covered in either regenerating native vegetation or in some cases plantation forests. Use of the formation, the noise of harvest, and the changing vistas all impact on the recreational users of the walkway. These impacts need to be managed to minimise their effects on users of the area.

7. **Mitigation**

In order to minimise the effects set out above while still recognising the value of the commercial crop of timber, both the harvesting of the current rotation and the planting for the next rotation have been modified.

The attached map (**Attachment 3**) shows that for the main part, replanting this winter will be in the valley east of the Incline Walkway. In those blocks which are close to the Walkway, specific areas have been identified to be left in standing trees, to be replanted in alternative species for non commercial purposes, or left to regenerate.

The maps also show those areas adjacent to waterways that will be left fallow to regenerate as riparian strips.

8. **Suitability of Land for Replanting.**

Attachment 1 sets out the returns by block to date. It also shows the average stumpage per tonne which ranges from \$40.83 per tonne down to \$22.41 per tonne. This can be compared with Whakatikei with an average stumpage of \$26.58

On this basis I am of the view that with improved genetics and proper tending a commercial crop of improved value can be produced from the blocks harvested to date.

9. **Replanting**

As with Whakatikei it is proposed to replant with GF17 pinus radiata seedlings at an initial stocking of 1500 stems per hectare. The cost benefit calculation is based on a full silvicultural regime. Given the good results of some of the structural stands in the present harvest this decision may be reviewed prior to the first scheduled prune.

10. **Financial Implications**

Attachment 2 sets out the projected returns from replanting this area of the Pakuratahi East Forest. Compared with the analysis presented in support of replanting the Whakatikei stands, an additional application of fertilizer has been allowed and a lower overall volume per hectare assumed. Rooding costs within the block are less, as there are no assumed royalties or major road upgrades.

The Net Present Value of the second rotation at a discount rate of 8% is \$96,402 with an Internal Rate of Return of 11.24%. A 10% increase in

revenue would improve returns to \$140,567 and 12.19%. A similar reduction in revenue would result in a reduction to \$66,330 and 10.46%.

11. **Recommendation**

- (1) *That this report be received and the contents noted.*
- (2) *That Council approves the proposal to replant the harvested area as detailed in **Attachment 3**.*

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