

QLDC Council
24 March 2017

Report for Agenda Item: 5

Department: Property & Infrastructure

Coronet Forest Management Plan 2017

Purpose

The purpose of this report is to consider the proposed Coronet Forest Management Plan 2017 for public consultation using the special consultative procedure.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Approve** the proposed Coronet Forest Management Plan 2017 for public consultation using the special consultative procedure, alongside the Annual Plan process;
3. **Appoint** three Councillors [to be named] to participate in a hearing panel to consider and hear submissions on the proposed Coronet Forest Management Plan 2017.

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13/03/2017

Reviewed and Authorised by:



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13/03/2017

Background

- 1 The Coronet Forest is located on the lower slopes of Coronet Peak close to Arrowtown. The forest consists of 172 hectares of Douglas fir (*Pseudotsuga menziesii*) which was planted between 1984 and 1996. The land is owned by the Council. The forest resource is managed and owned under a joint venture arrangement between the Council (75%) and the Central Otago District Council (CODC) (25%).
- 2 The Coronet Forest was planted for the sole purpose of future forestry activity, and has been managed as a production crop. It can therefore be anticipated that this hillside will be subject to the adverse effects associated with harvesting, and will result in some visual disturbance to the landscape.
- 3 Douglas fir is considered a wilding species in the Wakatipu and aggressively establishes in areas of un-grazed tussock land. The forest is a significant contributor to the spread of wilding trees on neighbouring indigenous tussock grassland and shrub and communities, and the effects of the Coronet Forest on this land are now becoming more and more visible.
- 4 The Wakatipu Wilding Conifer Strategy 2013-17 documents that the Wakatipu is now experiencing the consequences of forests that were planted close to areas of Outstanding Natural Landscape and Ecological Value. The strategy's work program is to target and remove seed sources or coning trees that are causing on-going wilding issues on vulnerable land.
- 5 In 2014 the Wakatipu Wilding Conifer Control Group (WCG) and members of the community approached QLDC with their concern about the increasing spread of wilding conifers from the Coronet Forest. Around the same time forestry companies contacted QLDC with proposals for the milling of the forest as Douglas fir log prices were favourable.
- 6 It was decided that a review of the forest should be undertaken. Forre Consulting was selected to review the current management plan and they recommended that a full harvest inventory of the forest was required to understand the available yield, so that the data could be utilised in planning and decision-making for the future of the forest.
- 7 A report was taken to Council on the Coronet Forest's future management in October 2015 and a resolution was passed to carry out a full harvest inventory on the forest to understand the current potential resource and create a detailed harvest plan.
- 8 The inventory and harvest plan were considered at the March 2016 Council meeting, and it was decided that the Council would like to seek feedback on the future of the forest from the community. A consultation document was prepared in May 2016 on whether or not the forest should be harvested early.
- 9 In total 248 submissions were received by QLDC and 85% advocated the early harvest of the forest, 10% did not agree with an early harvest and 14% did not stipulate which option they preferred. Most responses stated they were in favour

of an early harvest due to the wilding spread from the forest. Many submissions commented that they supported re-establishing the site in natives rather than exotics.

- 10 In June 2016 QLDC passed a resolution that the Coronet Forest Management Plan (2001) be updated to reflect the early harvest of the Coronet Forest, in accordance with the District Plan designation.
- 11 This updated management plan has been prepared by QLDC and describes the management proposals and revegetation recommended for a 2017 harvest. This plan uses estimates based on recent industry averages, conventional harvest engineering methodology and current knowledge.
- 12 The QLDC and CODC have an opportunity to harvest the Coronet Forest before full maturity, in order to mitigate the wilding threat and re-establish the site with more suitable vegetation. A full harvest now is a solution for dealing with the wider wilding spread that retention of the forest will inevitably continue to contribute to. Just harvesting the oldest stands will not solve the problem as the younger stands at the top of the forest will continue to spread seed in high winds.
- 13 The forest remains a significant seed source and contributor to the wilding pine issue. Future regulation arising from initiatives such as the Regional Pest Management Strategy (RPMS) may require the QLDC and CODC to reduce or eliminate the spread of Douglas fir from the forest. This includes potentially being liable for lands outside the forest now affected by infestations.
- 14 Some private landowners who own sizable wilding plantations are reluctant to participate in programs to remove the trees on the grounds that the Council is a massive wilding seed contributor. If a harvest now is implemented, these landowners may be willing to remove their trees.
- 15 In 2016 a more detailed survey of the wilding spread from the Coronet Forest was completed and this report increased the control area from 4km behind the forest to 10km (and now included Crown Peak and the faces along the Crown Range). The cost to control the spread from the forest if it is harvested at maturity (youngest stands in 2039) has increased to an estimated \$8.5 million to control around 5,500 ha of infested land.
- 16 The harvest plan provides a breakdown of staging within the forest and gives an overview of the proposed road and landing locations as well as the harvest method throughout the forest (ground based or cable) and direction of extraction. It has been projected that the harvest will produce 67,940 m³ of recoverable log product from the forest. The duration of the harvest has been estimated to be around two years, and given the current market and the economics of harvesting most of the crop may be destined for an export market.
- 17 There is an opportunity for the community to realise additional valuable products from the forest such as firewood, bio fuels and essential oil. The expected volume and log grade output calculated from the pre-harvest inventory did not assess these products as the current local market is unknown. This management plan primarily investigates the log resource for which the forest was grown and there will be opportunities to investigate these markets further.

- 18 The agreement QLDC and CODC is a joint venture for the one rotation of the forest, there is no obligation for CODC to remain in partnership with QLDC post-harvest or to re-establish or revegetate the land. Revegetation of the site is subject to conditions under the Emissions Trading Scheme and also the Operating and Proposed District Plans.
- 19 As the Coronet Forest is very prominent within the Wakatipu Basin, one of the key objectives of the revegetation program is to promote vegetation of the site as soon as possible after harvest to reduce the visual disturbance. Another is to prevent the establishment of competing woody weeds, especially Douglas fir seedlings.
- 20 The plan evaluated four revegetation options:
- Natives and grey shrub-land with a predator free fence
 - Natives and grey shrub-land
 - Mixture of Natives and Exotic Forestry Species
 - Exotic Forestry Species
- 21 The plan recommends that the natives and grey shrub-land option is implemented as this option will revegetate the site in a manner that promotes the natural regeneration of native vegetation and provide a habitat for native wildlife.
- 22 The landscape plan is to establish 40% the site with planted forest/shrub-land. The remaining 60% of the site will be revegetated with introduced grasses initially to suppress woody weeds, but also to promote the establishment of a vegetation cover across the site.
- 23 Control of Douglas fir on the site is key in establishing a second rotation crop, not only does Douglas fir have to be controlled within the harvested area, but all seeding sources surrounding the forest will need to be removed to create a successful indigenous vegetation cover.
- 24 The planting will occur over three to four years and the plan is to carry out weed control over a ten year period from harvest.

Comment

- 25 The land is zoned Rural General under the QLDC Partially Operative District Plan, and the forest has been designated (375) for the purpose of forestry operations, which means the use of the land primarily for the purpose of planting, tending, managing and harvesting of trees for timber or wood production.
- 26 The designation specifies that Forestry Plan updates shall be subject to consultation with the community using the Special Consultative Procedure set out in section 83 of the Local Government Act 2002 before adoption by the Council.
- 27 The designation specifies that all Management Plan updates shall address re-establishment of the forest following harvesting operations. This includes the

detail of plant schedules, density of planting and maintenance programs. The designation also states that management of wilding regeneration should be addressed following a harvest operation.

- 28 CODC agrees to QLDC consulting on the updated Coronet Forest Management Plan as required under the Designation. In agreeing, CODC reserves its rights in terms of the joint forest agreement. CODC will obtain peer review advice in order to take a position on options, while QLDC runs the special consultative process on the Management Plan.
- 29 Based on the landscape plan design (Attachment A) four revegetation options were evaluated, and the native species option was recommended in the plan as it establishes an area of biological diversity to help restore native biodiversity values within the Wakatipu basin.

Revegetation Options	Cost (Inc. Contingency 20%)
Predator Fence with Native Species	\$17,524,748
Native Species	\$11,937,848
Mix Native and Forestry Species (50/50)	\$8,306,925
Forestry Species	\$4,676,001

- 30 The statement of proposal (Attachment B) provides the background on the proposed Management Plan and the advantages and disadvantages of each option.

Options

- 31 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

- 32 Option 1 Do nothing

Advantages:

- 33 There will be no visual disturbance to the landscape from the adverse effects associated with harvesting.

Disadvantages:

- 34 Under the designation the current the Coronet Forest Management Plan shall be reviewed and updated by 31 December 2012, and thereafter every 5 years. The current plan was written in 2001 and is therefore out of date.

- 35 The forest is a significant contributor to the spread of wilding trees on neighbouring indigenous tussock grassland and shrub and communities, and the effects of the Coronet Forest on this land are now becoming more and more visible.

- 36 Option 2 Re-adopt the current Management Plan (2001) harvest at age 45

Advantages:

- 37 There is opportunity for future log markets or advances in steep harvest technology to develop providing a higher than expected rate of return.
- 38 The increased growth and maturity of the forest are likely to produce higher volumes and timber quality, realising the asset's commercial potential.

Disadvantages:

- 39 The forest remains a significant seed source and contributor to the wilding pine issue. Future regulation arising from initiatives such as the Regional Pest Management Strategy (RPMS) may require the Council and CODC to mitigate the spread of Douglas fir from the forest. This includes potentially being liable for lands outside the forest affected by infestations.
- 40 There is inherent volatility in log markets and the risk from increased transport costs and environmental damage cannot be controlled or anticipated.
- 41 Continued involvement in a commercial forestry operation is not consistent with the provisions of Section 10 of the Local Government Act (LGA).
- 42 Option 3 Replace the 2001 Management plan with the Proposed Coronet Forest Management Plan 2017.

Advantages:

- 43 The wilding threat would be mitigated by removing the exponential maturing seed source.
- 44 In May 2016 a consultation document was prepared on whether or not the forest should be harvested early. 85% of the submissions received by QLDC advocated the early harvest of the Forest.
- 45 Current market prices for Douglas fir are favourable and known.
- 46 Revenue could be used to offset part of the forest re-establishment costs.
- 47 Meets relevant objectives and policies of the District Plan particularly nature conservation and natural landscape values.
- 48 Existing commercial forestry activity is consistent with the purposes of the LGA.
- 49 Updating the Management Plan will comply with the designation conditions

Disadvantages:

- 50 The full commercial value of the forest may not be realised.
- 51 The site will be subject to the adverse effects associated with harvesting, which will result in some visual disturbance to the landscape.

52 This report recommends **Option 3** in response to the 85% submissions received by QLDC which advocated the early harvest of the forest. Option 3 will address the wilding conifer problem and a current Forest Management Plan will comply conditions under designation 375.

Significance and Engagement

53 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy due to the extent that the matters being considered impact on the environment of the Queenstown Lakes District and the extent to which organisations in the community are affected by the decision.

Risk

54 This matter relates to the strategic risk SR1 - Current and future development needs of the community (including environmental protection) and Strategic Risk SR6b - Assets critical to service delivery (property) as documented in the Council's risk register. The recommended option mitigates this risk as it aims to have environmental benefits and positive effects on a community asset and Council expenditure.

Financial Implications

55 The recommended option for an early harvest can be met within existing operational budgets identified in the Draft 2017/18 Annual Plan.

56 Depending on the selected re-vegetation option this funding will need to be considered in the 10-Year Plan (2018-28).

57 The eventual position of Central Otago District Council as joint venture partner will need further consideration in the 10-Year Plan (2018-28).

Council Policies, Strategies and Bylaws

58 The following Council policies, strategies and bylaws were considered:

- Operative District Plan
- Coronet Forest Management Plan (2001)
- Wakatipu Wilding Conifer Control Strategy 2013-2017
- Significance and Engagement Policy
- Draft 2017/18 Annual Plan

Local Government Act 2002 Purpose Provisions

59 The recommended option:

- Will help 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 by providing environmental benefits in a way that does not incur significant costs to residents/ratepayers;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

60 The persons who are affected by or interested in this matter are the residents/ratepayers of the Queenstown Lakes District community as a whole and the properties which neighbour the forest.

61 The proposed SCP is designed to specially consult with the community and obtain their views on the proposal.

62 The Council has previously consulted with the community. In May 2016 a consultation document was prepared on whether or not the forest should be harvested early. In total 248 submissions were received by QLDC and 85% advocated the early harvest of the forest, 10% did not agree with an early harvest and 5% did not stipulate which option they preferred. Most responses stated they were in favour of an early harvest due to the wilding spread from the forest.

63 The Council has consulted with the neighbouring forestry block owners and explained the process to date. The neighbours were open to removing their forest at the same time as Council due to the benefits of a collaborative harvest.

64 The Council consulted with CODC and they are obtaining a peer review on the plan in order to take a position on their options in respect to their agreement with QLDC.

65 The Council consulted with Millbrook and they are likely to oppose the Coronet Forest Management Plan 2017 through the special consultative procedure due to the perceived impact on their sales of future residential property, and on current residents and members.

Legal Considerations and Statutory Responsibilities

66 QLDC's liability under the Emissions Trading Scheme (ETS) is that once the forest has been harvested, it must be revegetated with a crop which meets the definition of a forest. The proposed revegetation options (Attachment A) meet this definition.

Attachments [In Attachments Booklet]

- A Coronet Forest Management Plan 2017
- B Statement of Proposal