



Public Consultation

City Forests' New Land and Forest
Acquisitions



Purpose

The purpose of this document is to provide information to stakeholders and the general public about new land and forest purchases now under City Forests ownership. By consulting with stakeholders and the public City Forests satisfies Forest Stewardship Council® (FSC®- C008934) obligations to extend the scope of the certification to include all the new land acquisitions covered in this document.

Company Strategy

In recent years City Forests has made new land investments that aim to deliver greater financial, social and environmental returns to our owners Dunedin City, and the region, by increasing the productive forest area. These are wise land investments in terms of location, scale, productivity, supply chain, environment and risk.

City Forests was amongst the first major forest owners to embrace the Emissions Trading Scheme (ETS) and has led the industry in recycling carbon revenues into new land plantings. The company's strategy is to continue to invest in the same way; principally by recycling carbon revenues into good quality land and high-quality tree stocks. These new plantings will also mean greater carbon stocks for the company in the future as the trees continue to sequester CO₂ from the atmosphere.

All new land purchases are on better than average sites that improve productivity and reduce environmental, financial, and health & safety risk. The new areas are also within City Forests current working circle and remain close to domestic and export markets.

Through this self-funded investment and the continued support of our Dunedin City owner, City Forests has a growing capital asset that is continuing to increase in value and deliver substantial and sustainable returns to the city as well as long term benefits to the environment.

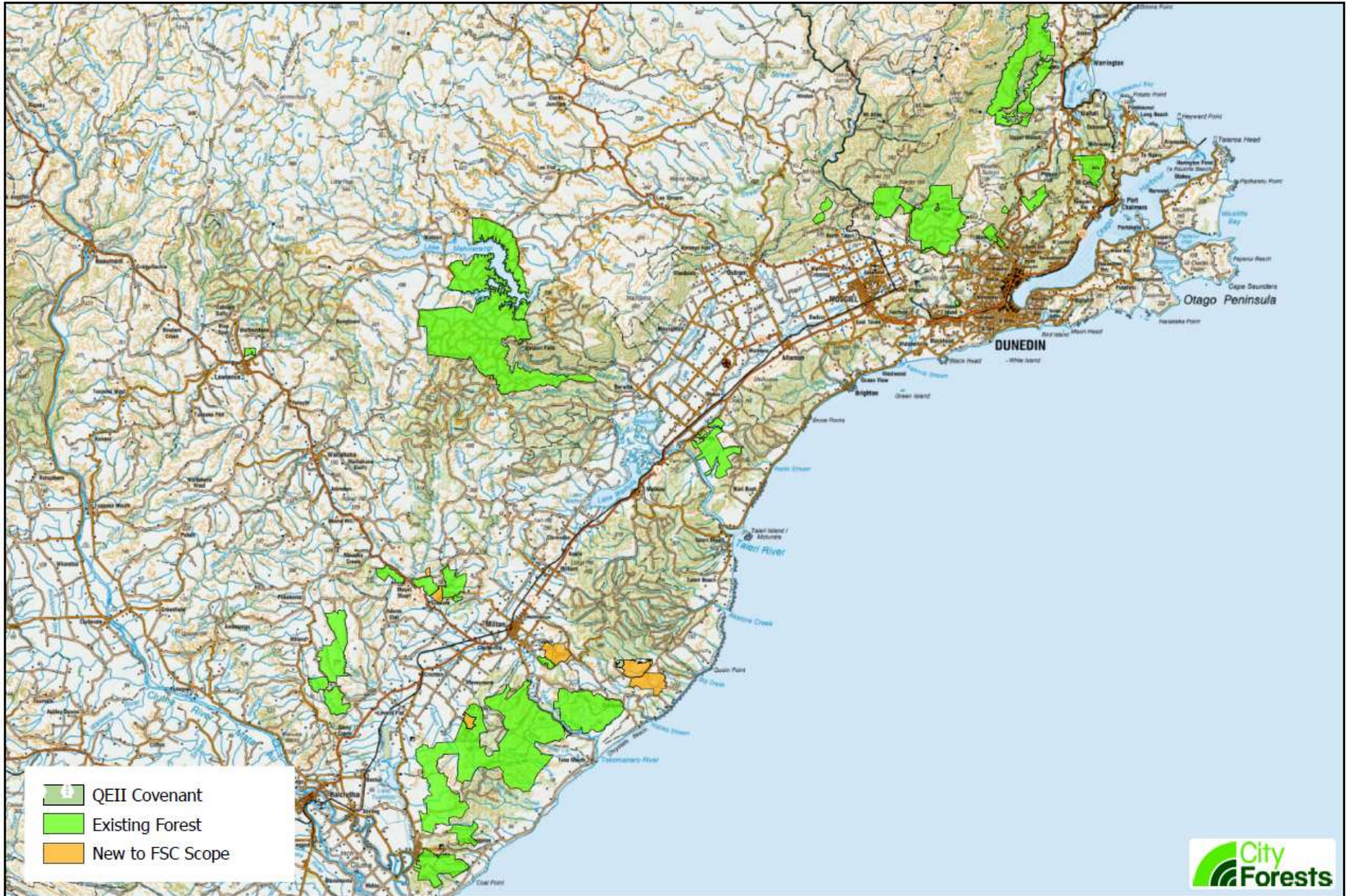
Background

5 properties totaling 1135.9 hectares have been added to City Forests total proposed FSC® accredited area of 24,201 hectares. The new land is spread across three main forest areas; Millers, Tokoiti and Glenledi. There are a range of previous land uses and land covers on the new land including plantation forest, pasture, dense woody weed cover and some native bush which will not be disturbed.

Establishing forests on new land involves a significant amount of preparation and planning. Considerations are made around planting setbacks from waterways, conservation land, neighbours, and existing infrastructure such as roads, waterpipes and powerlines.

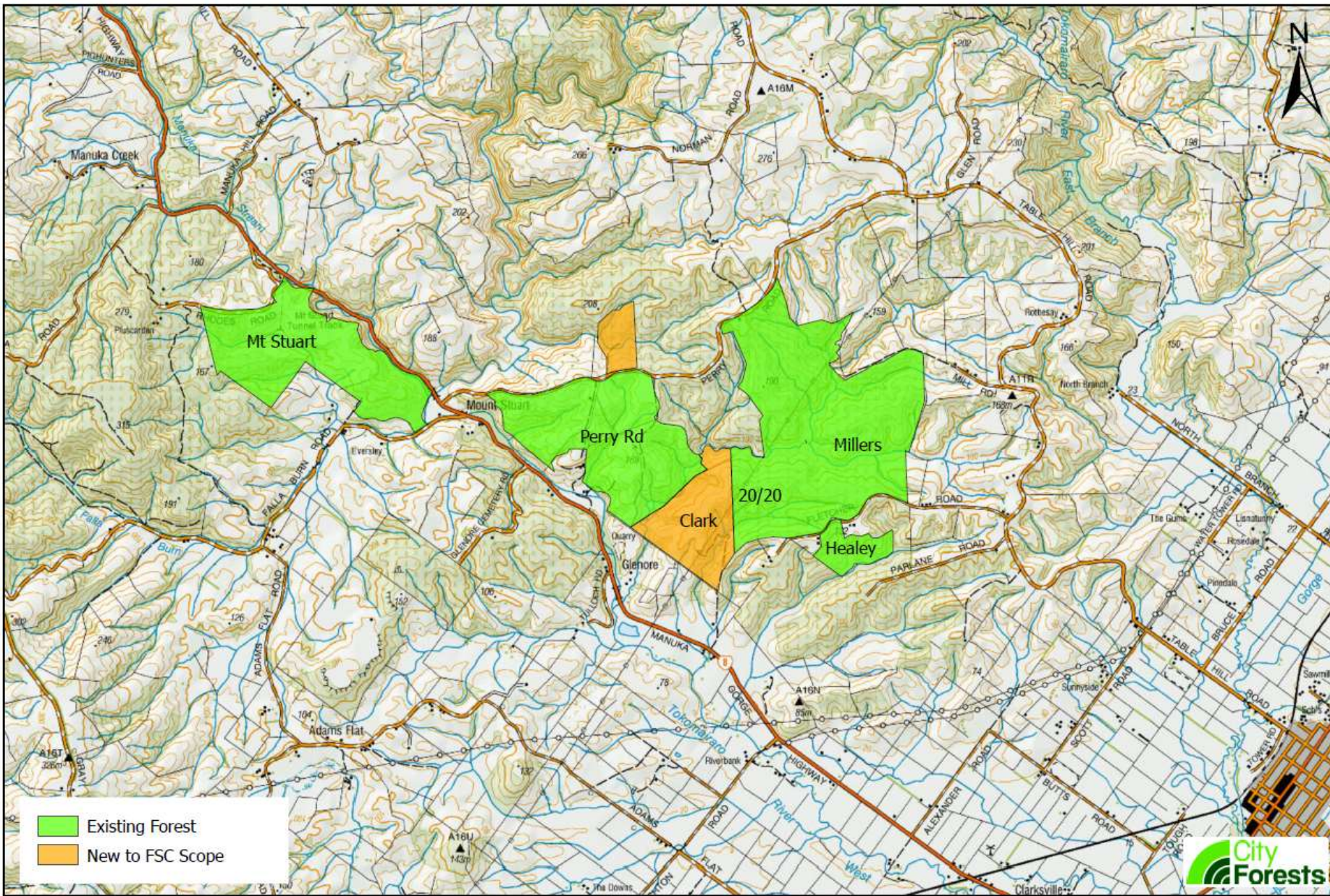
All new land areas with significant natural areas are independently assessed in order to identify the area's ecological significance. These areas will be protected and progressively enhanced under City Forests' management through ongoing monitoring, the removal of grazing animals and the eradication of weeds.

City Forests FSC Overview



1:400,000

Millers FSC Areas



1:50,000

0 0.5 1 2 3 4 Kilometers



Millers

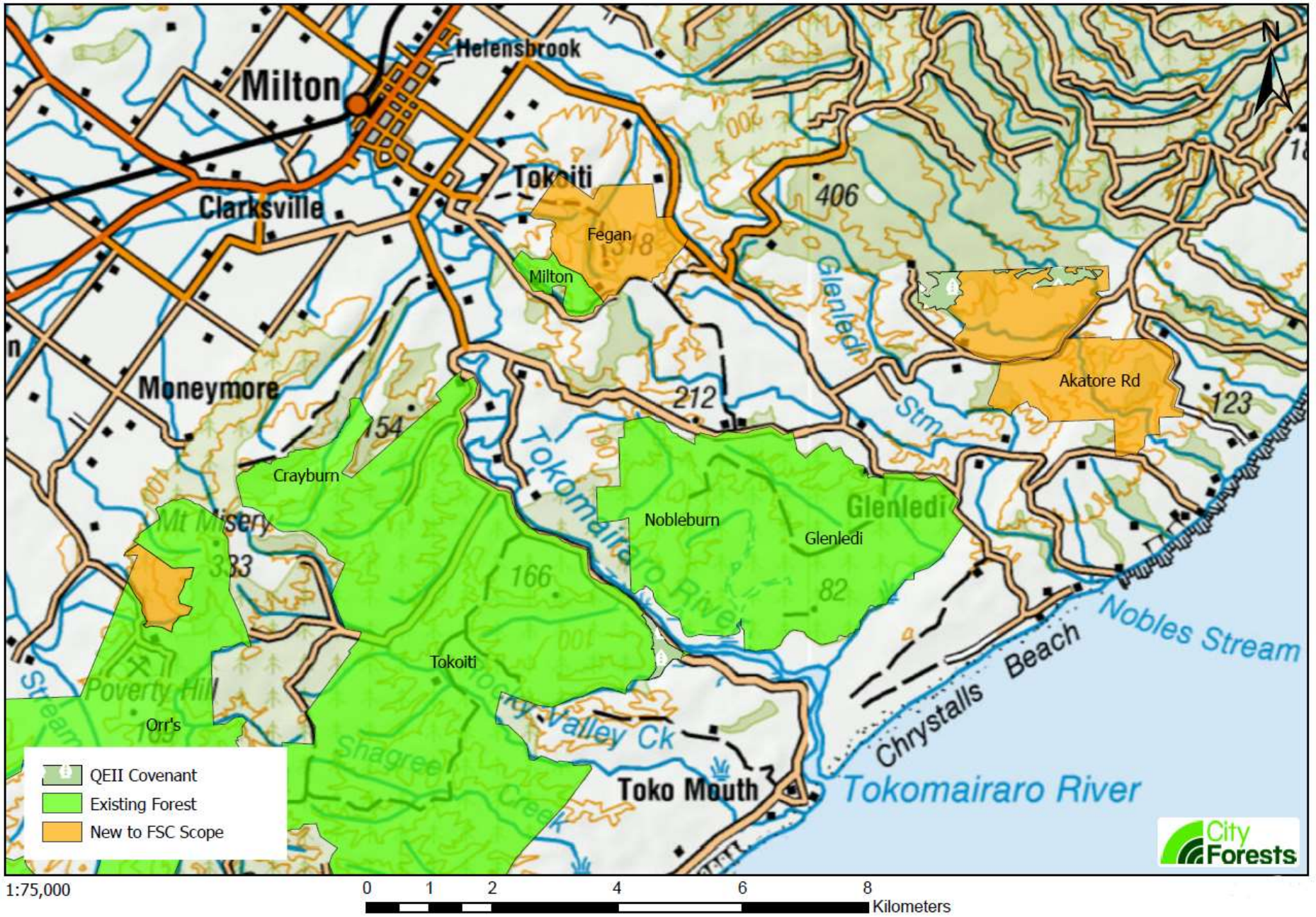
Two new properties totalling 105.2 hectares add to City Forests' already existing Millers forest. Located 8km northwest of Milton; Millers is a scattered collection of forest blocks crossing into both the Lawrence and Tokomairiro Ecological Districts.

The new northern property on Perry Road is an area of predominantly plantation forest land purchased by City Forests post-harvest as bare land. The southern property (Clark) is a mixture of ex-pasture, plantation forest, native scrub, and exotic weeds.

The northern property contains approximately 4 ha of regenerating native scrub and forest and 6 ha of the same in the southern property. These areas will remain untouched to continue regenerating into the future.

These new properties have now been planted with *Pinus radiata*. Setbacks have been put in place for powerlines, waterpipes, neighbours, roads and waterways. No dwellings exist on either of these properties therefore no subdivisions are required. New roading infrastructure has been constructed in the southern property to give access for establishment and future operations, this has mostly consisted of tidying up and extending existing tracks.

Glenledi & Tokoiti FSC Areas



Tokoiti

Two new properties have been added to the existing Tokoiti Forest, both of which are located in the Tokomairiro Ecological District. The first, located in Moneymore 8 km southwest of Milton, comprises 83.3 ha and fills in an area surrounded already by City Forests plantings and is predominantly plantation forest purchased post-harvest as cutover land. A small 2 ha area of regenerating native bush on the property will remain untouched to continue regenerating into the future. This property has now been replanted with *Pinus radiata*.

The second property is located in Akatore, 9 km southeast of Milton, and is 661.4 ha comprised of ex-pasture, exotic forest, exotic weeds and scrub, and native scrub and forest. Two of the native forest areas (totalling 50.7 ha) are registered under QEII covenants (number's 5/12/136 and 5/12/177) which provide a requirement for their ongoing protection and enhancement which City Forests will actively contribute to under our ownership. The upper reaches of Bull Creek also run through this property and the exclusion of grazing stock along with newly established forest will offer protection for this significant waterway.

Where possible, areas of exotic weeds and scrub have had land preparation operations carried out and these areas along with the pasture have now been planted with *Pinus radiata*. New roading infrastructure has been constructed to give access for establishment and future operations, this has been a combination of tidying up and extending existing tracks, and building new roads along and down main ridges.

Setbacks have been put in place for powerlines, waterpipes, neighbours, roads, the covenant areas, and waterways. A dwelling on the Akatore property is in the process of being subdivided and planting has been setback appropriately from the proposed subdivision boundaries.

Glenledi

One new property has been added to the existing Glenledi Forest, and is located 2 km southwest of Milton, in the Tokomairiro Ecological District. The property is 286.0 ha and comprised of ex-pasture, exotic forest, exotic weeds and scrub, and native scrub and forest. Approximately 10 ha of regenerating native scrub and forest on the property will remain untouched to continue regenerating into the future. The McNally walking track crosses this property and has been kept open by leaving a corridor in the new planting for walking to the high point of the property where there is an existing lookout.

This property has now been planted with *Pinus radiata*. Setbacks have been put in place for powerlines, waterpipes, neighbours, roads and waterways. No dwellings exist on this property therefore no subdivisions are required. New roading infrastructure has been constructed to give access for establishment and future operations, this has been a combination of tidying up and extending existing tracks, and building new roads along and down main ridges.

Feedback

City Forests invites feedback on our proposal to extend the scope of our FSC® certificate through our website.

www.cityforests.co.nz