

**Property Subcommittee**  
**Wednesday 13 February 2019 at 2pm**

# **AGENDA**

## Property Subcommittee Agenda

Meeting to be held in the Committee Room  
36 Water Street, Whangārei  
on Wednesday 13 February 2019, commencing at 2pm

**Recommendations contained in the agenda are NOT decisions of the meeting. Please refer to minutes for resolutions.**

### MEMBERSHIP OF THE PROPERTY SUBCOMMITTEE

Chair, Councillor Penny Smart  
Councillor John Bain      Councillor Bill Shepherd (Ex-Officio)      Councillor David Sinclair  
  
Councillor Rick Stolwerk

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<b>5.6</b> Property Demolition Option	
<b>5.7</b> Receipt of Action Sheet	

**TITLE:** Confirmation of Minutes - 5 December 2018

**ID:** A1160169

**From:** Nicole Inger, Property Officer

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**Recommendation**

That the minutes of the Property Subcommittee meeting held on 5 December 2018 be confirmed as a true and correct record.

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**Attachments/Ngā tapirihanga**

Attachment 1: Property Subcommittee Minutes - 5 December 2018 [↓](#)

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**Authorised by Group Manager**

**Name:** Phil Heatley

**Title:** Strategic Projects Manager

**Date:** 08 February 2019

## Property Subcommittee Minutes

Meeting held in the Committee Room  
on Wednesday 5 December 2018, commencing at 2.00pm

### Present:

Chair, Councillor Penny Smart  
Councillor John Bain  
Councillor Bill Shepherd (Ex-Officio)  
Councillor David Sinclair

### In Attendance:

#### Full Meeting

NRC Chief Executive  
Property Officer

#### Part Meeting

Strategic Projects Manager  
Ian Jenkins – Jenksmax Consulting Limited

The Chair declared the meeting open at 2.05pm.

### Apologies (Item 1.0)

#### Moved (Shepherd/Sinclair)

That the apology from Councillor Stolwerk for non-attendance be received.

**Carried**

### Declarations of Conflicts of Interest (Item 2.0)

It was advised that councillors should make declarations item-by-item as the meeting progressed.

### 1. Confirmation of Minutes - 3 October 2018 (Item 3.1)

**ID: A1132388**

**Report from Nicole Inger, Property Officer**

#### Moved (Bain/Sinclair)

That the minutes of the Property Subcommittee meeting held on 3 October 2018 be confirmed as a true and correct record.

**Carried**

## 2. Port Nikau - Buffer Zone Easement (Item 4.1)

ID: A1132572

Report from Phil Heatley, Strategic Projects Manager

Moved (Shepherd/Sinclair)

That the report 'Port Nikau - Buffer Zone Easement' by Phil Heatley, Strategic Projects Manager and dated 26 November 2018, be received.

Carried

## Business with Public Excluded (Item 5.0)

Moved (Bain/Sinclair)

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
5.1	Confirmation of Confidential Minutes - 3 October 2018	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
5.2	Harvesting of the 1991 Mount Tiger Forestry Block	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.3	Leasing Out a Dargaville Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.4	Waipapa Investment Opportunity	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.5	Receipt of Action Sheet	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

**Carried**

## **Conclusion**

**The meeting concluded at 3.30pm.**

**TITLE:** Mount Tiger Forest Quarterly Report October - December 2018

**ID:** A1160243

**From:** Nicole Inger, Property Officer

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### Executive summary/Whakarāpopototanga

The purpose of this report is to present background information and an update on Council's Mount Tiger Forest by way of the attached report from Ian Jenkins of Jenksmax Consulting Limited, Council's forestry consultant. Mr Jenkins will be present at the meeting to answer any questions.

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### Recommendation

That the report 'Mount Tiger Forest Quarterly Report October - December 2018' by Nicole Inger, Property Officer and dated 5 February 2019, be received.

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### Background/Tuhinga

As per the Forestry Management Report, council's consultant, Jenksmax Consulting Limited, is to report back to Council every quarter providing an update of the Mount Tiger Forest. The significant matters reported in Quarter Two are as follows:

- In December 2018, the report "Harvesting of the 1991 Mount Tiger Forestry Block" was approved by the Property Subcommittee and Full Council.
- Most of the Forest Development programme pertains to ongoing maintenance and protection activities while the forest continues to grow and add value.
- Unbudgeted second releasing operation of 2017 Stand cleared for January 2019 with funding available from fertiliser and maintenance budget underspends.
- Regular forest checks (4) have been undertaken for general inspections, following up on the replanting issues, maintenance, trespass, for operational planning and general forest inspections. Ongoing field checks planned in 2019.

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### Attachments/Ngā tapirihanga

Attachment 1: Jenksmax Consulting Limited Mount Tiger Forest Quarter Two 2018-19 Report [↓](#)

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### Authorised by Group Manager

**Name:** Phil Heatley

**Title:** Strategic Projects Manager

**Date:** 08 February 2019

*NORTHLAND REGIONAL COUNCIL - Forestry Report Q2 2018/19 Year*



## **NRC - MOUNT TIGER FOREST**

### **BRIEF REPORT ON FORESTRY STATUS - For October 2018 to December 2018**

#### **1 Background**

- This report is for the period October 2018 to December 2018.
- Mt Tiger forest continues to be managed in accordance with the Forest Management Plan 2015-2019 and is now into the 2018/19 Work Programme and Budget.
- This report therefore provides a brief update of activities and relevant comments for this quarter - being Q2 of the 2018-19 financial year (FY 30 June 2019).

#### **2 Forest Harvesting**

- In this quarter no forest harvesting was undertaken in Mt Tiger forest, but is pending.
- This harvest is the 1991 stand.
- The 1991 harvest was not scheduled (and budgeted) until summer 2019/20, but high export prices and issues around harvest crew availability suggested NRC should get ready to harvest sooner than later.
- As previously reported, this area was therefore made "harvest ready" with the pre-harvest activities (eg. inventory, harvest plan, consents, etc) being undertaken early - to provide flexibility and allow prompt harvest start-up.
- In December 2018, a report "Harvesting of the 1991 Mount Tiger Forestry Block", was put to and approved by the Property Sub-Committee and by full Council.
- The approval was to harvest the 1991 block around March 2019, once the roadline clearing is undertaken (January) and road/landing construction undertaken (February 2019).
- The roadline clearing and construction works will definitely be undertaken - as they are required regardless of the final harvesting timeframe.
- Council's CEO has been delegated the authority to make the final decision when to undertake the harvest - to allow for any changes in market conditions, etc.
- The report to Council included an updated forecast of the harvest income as a result of the pre-harvest planning undertaken, in particular the fact that the area and thus volume able to be practically, environmentally and profitably harvested is down some 20% on the original budget. However, high log prices and similar unit rate costs have mitigated this to some extent, with the projected net income being some 13% below budget (and a year earlier).



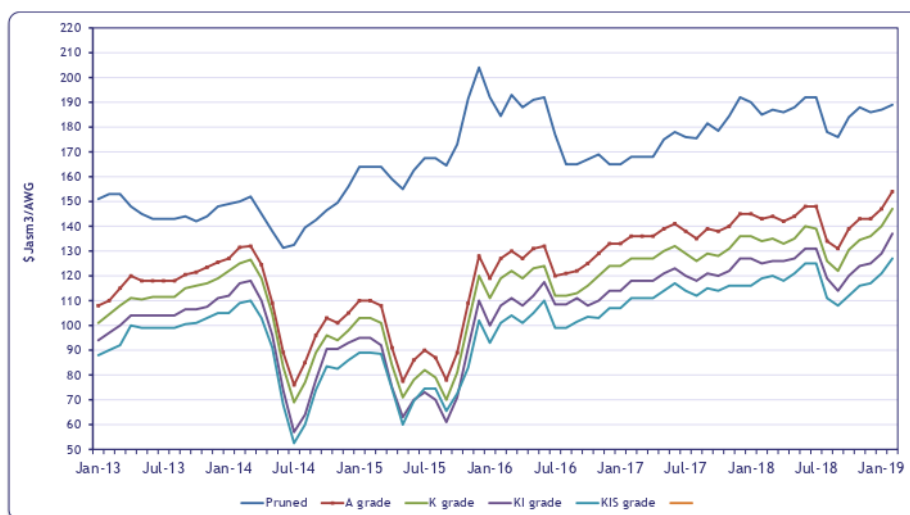
### NORTHLAND REGIONAL COUNCIL - Forestry Report Q2 2018/19 Year



#### Harvest Income - Budget vs Latest Estimate (Nov 2018)

Variable	Budget 2019-20	Latest Estimate (NFML)
Volume (cubic metre)	11,700	7,974
Gross price (per m3)	\$120.50	\$135.97
Harvest cost (per m3)	\$74.50	\$76.90
Stumpage return (per m3)	\$46.00	\$59.08
Net Total Return	\$538,200	\$471,104

#### The graph below shows recent indicative export log prices.



- The export log prices are very high at present (the highest in the past 6 years at over \$150/m³AWG for A grade).
- Northland Forest Managers Ltd (NFML) have been contracted to undertake the harvesting and marketing work of the 1991 harvest.
- Pre-start activities were completed prior to year end, in particular H&S of the contractor who will be undertaking the roadline harvest.
- NRC H&S specialist (Tracy Warboys) has been involved including a comprehensive H&S audit of NFML in October.
- Following on from feedback from the full Council meeting in December, a closer look will be taken of the post-harvest cutover management and replanting options with respect to any environmental and weed infestation potential issues.

### *NORTHLAND REGIONAL COUNCIL - Forestry Report Q2 2018/19 Year*



## **2 Forest Development Programme**

- The NRC Mt Tiger silvicultural work and forest development activity planned for the 2018-19 budget year is very simple.
- Given the age class distribution of the forest and that all tending works are up-to-date, this year sees no pruning or thinning operations required. Most of the programme this year pertains to ongoing maintenance and protection activities while the forest continues to grow and add value.
- The 2018-19 year and budget includes the 2<sup>nd</sup> foliar sampling and possible fertilising of the 2005 planted areas (21.4 ha) as well as mid-rotation inventory on the 2001 and 2002 stands.
- The 2018-19 programme also covers the completion of the establishment for the replanting (undertaken in July 2017) of the area harvested in mid-2016 (the 1985 area of a.15 ha). Now called the 2017 stand.
- As reported previously, there have been some challenges in establishing this area as a result of poor initial tree growth in the 2017/18 summer and strong weed competition.
- In August, NFML organised blanking (restocking) of gaps and some manual line cutting to increase the tree numbers.
- NRC Biosecurity has also undertaken animal control operations on this area in the past quarter.
- It will also require a further (unbudgeted) 2<sup>nd</sup> releasing operation to knockback the competing weed growth.
- This was planned for November but owing to Council requiring confirmation of the helicopter contractor's H&S compliance it was not until mid December that this was fulfilled and the operation was then locked in for early January.
- There will likely be funds within the overall 2018-19 forestry budget to cover these unexpected levels of costs to establish the 2017 stand (from the fertilising and maintenance budget underspends).

## **3 Other activities undertaken**

- The 2018-19 budget includes \$14,800 for forest maintenance expenditure, most of which relates to provisions in case of weather/storm damage to the roading network, as well as for the ongoing roadside weed control and general maintenance.
- In the year to date no significant weather events have occurred and no repair works have been required.
- Over the past 3 months, regular forest checks (4) have been undertaken for general inspections, following up on the replanting issues, maintenance, trespass, for operational planning and general forest inspections.
- General administration, liaise NRC re environmental and animal control and other tasks and reporting as required.

*NORTHLAND REGIONAL COUNCIL - Forestry Report Q2 2018/19 Year*



#### **4 Upcoming Work**

- Ongoing field checks for forest maintenance, after storms, trespass, and monitoring fire risk, etc.
- Advance the harvest of the 1991 area, with roadlining commencing in early January.
- Monitor 2017 plantings and blanking and undertake releasing (January).
- 2<sup>nd</sup> Foliar sampling of 2005 areas in February/March.
- Continue work with NRC Biosecurity re pig control initiative/CPCA/trespass issues and animal control for 2017 replanted area.

Jenks  
(Ian Jenkins)  
Jenksmax Consulting Limited  
3<sup>rd</sup> February 2019.

## TITLE: Business with the Public Excluded

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### Executive Summary

The purpose of this report is to recommend that the public be excluded from the proceedings of this meeting to consider the confidential matters detailed below for the reasons given.

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### Recommendations

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
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5.3	Properties for Potential Sale	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.4	Sale of Council's Lessor's Interest in a CBD Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.5	Purchase of a Hihiaua Precinct Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.6	Property Demolition Option	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out,

		without prejudice or disadvantage, commercial activities s7(2)(h).
5.7	Receipt of Action Sheet	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

3. That the Independent Financial Advisor be permitted to stay during business with the public excluded.
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## Considerations

### 1. Options

Not applicable. This is an administrative procedure.

### 2. Significance and Engagement

This is a procedural matter required by law. Hence when assessed against council policy is deemed to be of low significance.

### 3. Policy and Legislative Compliance

The report complies with the provisions to exclude the public from the whole or any part of the proceedings of any meeting as detailed in sections 47 and 48 of the Local Government Official Information Act 1987.

### 4. Other Considerations

Being a purely administrative matter; Community Views, Māori Impact Statement, Financial Implications, and Implementation Issues are not applicable.