

Property Subcommittee
Wednesday 3 April 2019 at 12.30pm

AGENDA

Property Subcommittee Agenda

Meeting to be held in the Committee Room
36 Water Street, Whangārei
on Wednesday 3 April 2019, commencing at 12.30pm

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 David Sinclair Councillor Rick Stolwerk -
(Alternate)

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Councillor Shepherd	
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5.5 Receipt of Action Sheet	

TITLE: Confirmation of Minutes - 13 February 2019

ID: A1177876

From: Nicole Inger, Property Officer

Recommendation

That the minutes of the Property Subcommittee meeting held on 13 February 2019 be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Property Subcommittee Minutes - 13 February 2019 [↓](#)

Authorised by Group Manager

Name: Phil Heatley

Title: Strategic Projects Manager

Date: 27 March 2019

Property Subcommittee
13 February 2019

Property Subcommittee Minutes

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

Present:

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

In Attendance:

Full Meeting

NRC Chief Executive
Strategic Projects Manager
Property Officer

Part Meeting

Ian Jenkins – Jenksmax Consulting Limited

The Chair declared the meeting open at 2.05pm.

Apologies (Item 1.0)

There were no apologies.

Declarations of Conflicts of Interest (Item 2.0)

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

Confirmation of Minutes - 5 December 2018 (Item 3.1)

ID: A1160169

Report from Nicole Inger, Property Officer

Moved (Bain/Shepherd)

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

Carried

Property Subcommittee
13 February 2019

Mount Tiger Forest Quarterly Report October - December 2018 (Item 4.1)

ID: A1160243

Report from Nicole Inger, Property Officer

Moved (Bain/Shepherd)

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

Carried

Discussion Note: Ian Jenkins reported on the Health and Safety of the Harvest operation and this was discussed by the Property Subcommittee. Members were satisfied with arrangements.

Ian Jenkins also reported on the Harvest Plan update, as per Northland Forest Managers report.

Discussion Note: The Chief Executive has made the decision to commence harvest of the 1991 Mount Tiger Forestry Block.

Business with Public Excluded (Item 5.0)

Moved (Shepherd/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 - 5 December 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	Property Reinvestment Fund and Property Investments for 2019	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).
5.3	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).

ID: A1168389

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Property Subcommittee
13 February 2019

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).

Carried

Conclusion

The meeting concluded at 3.20pm.

TITLE: Mount Tiger Forest Quarterly Report January - March 2019

ID: A1177920

From: Nicole Inger, Property Officer

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.

Recommendation

That the report 'Mount Tiger Forest Quarterly Report January - March 2019' by Nicole Inger, Property Officer and dated 26 March 2019, be received.

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 Three are as follows:

- The roadline clearance and landing construction began for the harvest of the 1991 area in January 2019, as approved by the Property Subcommittee and Full Council in December 2018. Council's CEO gave final approval to harvest on 12 February 2019, based on the favourable forecast for net harvest revenue. Full scale harvest commenced 18 February 2019.
- March 2019 has seen a full harvest production month and overall results are satisfactory.
- In this quarter, no Health and Safety matters have arisen.
- Most of the Forest Development programme pertains to ongoing maintenance and protection activities while the forest continues to grow and add value.
- Second foliar sampling of the 2005 areas undertaken 20 March 2019.
- The second releasing operation to the 2017 Stand was completed in January 2019 with ongoing monitoring and checks to determine effectiveness.
- In the year to date, no significant weather events have occurred and no repair works have been required.
- 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.

Attachments/Ngā tapirihanga

Attachment 1: 2019 03 26 Mt Tiger Forest Quarter 3 Report Jan-Mar 2019 [↓](#)

Attachment 2: NFML Report January 2019 [↓](#)

Attachment 3: NFML Report February 2019 [↓](#)

Authorised by Group Manager

Name: Phil Heatley
Title: Strategic Projects Manager
Date: 27 March 2019

NORTHLAND REGIONAL COUNCIL - Forestry Report Q3 2018/19 Year



NRC - MOUNT TIGER FOREST

BRIEF REPORT ON FORESTRY STATUS - For January to March 2019

1 Background

- This report is for the period January to March 2019.
- Mt Tiger forest continues to be managed in accordance with the Forest Management Plan 2015-2019 and is 75% through the 2018/19 Work Programme and Budget.
- This report therefore provides a brief update of activities and relevant comments for this quarter - being Q3 of the 2018-19 financial year (FY to 30 June 2019).

2 Health and Safety

- In this quarter no Health and Safety (H&S) matters have arisen.
- Forest harvesting has commenced and Jenks and NRC's H&S Officer have taken an active role to ensure the H&M Agent (NFML) and all contractors involved in the harvest are operating in line with H&S legislation, rules, guidelines and forest industry best practise and NRC's responsibilities as a forest owner/PCBU are being met.
- NFML monthly forest harvest reports for January and February 2019 also note no H&S issues. No incidents reported, nor any critical rule breaches noted. No LTI's recorded, but a few minor matters (B rating) noted and actioned in February 2019.
- No other forest H&S matters this month.
- Jenks will continue to take an H&S overview role with the harvest to ensure NRC's PCBU responsibilities are being met. Discuss.

3 Forest Harvesting

- The harvest of the 1991 area commenced in January 2019, a year earlier than scheduled (and budgeted) owing to very high log prices and NFML being able to find a suitable cable hauling contractor.
- This follows on from the report "Harvesting of the 1991 Mount Tiger Forestry Block", which was put to and approved by the Property Sub-Committee and by full Council in December 2018.
- The approval was to undertake the roadline clearing (January 2019) and road/landing construction (February 2019) with full scale harvest of the 1991 block due around March 2019.
- The roadline clearance was undertaken 7-22 January 2019 with some 461 tonnes harvested and sold, generating a net return of \$30,878.
- The short access road and landing was completed in early February 2019.
- Council's CEO was delegated the authority to make the final decision when to undertake the harvest - to allow for any changes in market conditions, etc. This was subsequently given 12 February 2019, based upon the updated and favourable forecast of the net harvest revenue.
- The updated forecast was as shown below:

NORTHLAND REGIONAL COUNCIL - Forestry Report Q3 2018/19 Year

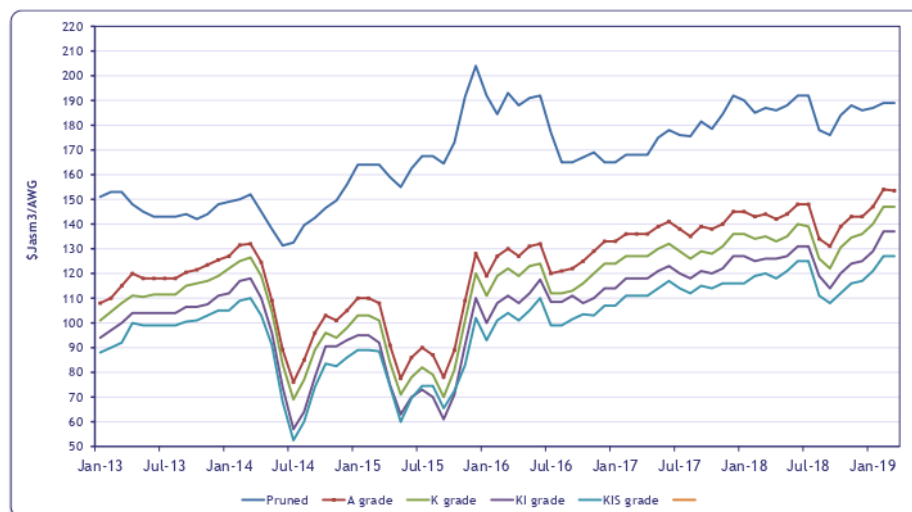


▪ Harvest Income - Budget vs Latest Estimate (Feb 2019) as approved by CEO.

Variable	Budget 2019-20	Previous Estimate (NFML)	Current Estimate (NFML) Feb2019
Area (ha) economic	23.4	18.5	18.5
Volume (cubic metre)	11,700	7,974	7,974
Gross price (per m3)	\$120.50	\$135.97	\$144.81
Harvest cost (per m3)	\$74.50	\$76.90	\$77.96
Stumpage return (per m3)	\$46.00	\$59.08	\$66.85
Net Total Return	\$538,200	\$471,104	\$533,062

- Again it is noted 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, as at February 2019 update, now being close to budget (and a year earlier).
- Full scale harvest commenced 18th February 2019.
- In February 2019, some 561 tonnes were extracted and sold (loaded out in the last week of February). However, all the roading and landing and setup costs came in, thus expenditure exceeded revenue for the month, with the net being **-\$7,982**.
- March 2019 has seen a full production month and will generate significant net income, but at the time of writing this report, the March 2019 month end figures are not yet available.
- There is little point reporting JTD (job to date) figures as only a small amount of wood has been extracted (13%), however - gross \$/t revenue is in line with forecast (Feb 2019), unit logging cost in \$/t is 10% under budget (due to cheaper roadline harvest than the full scale hauler rate), cartage costs in \$/t are 7% over budget (but reflect market points chosen to maximise stumpage), and 54% of the roading and other costs have been spent, as compared to forecast.
- Overall the situation is satisfactory at this time.
Other points to note are:
 - Log prices for March 2019 were flat to slightly down. Refer to the graph below which shows recent indicative export log prices, but remain at excellent levels. April export prices are expected to soften slightly as the low shipping rates in Q1 increase.
 - NFML have noted issues with the size of the pruned defect core (due to late pruning during silviculture) which is being managed but will impact on the achievable pruned volume.
 - the Heritage New Zealand approval for the archaeological site has been received (2019/476: Site Q07/989).
 - NFML reported a small diesel spill 3 March 2019, that was properly dealt with and records provided to verify such.
 - NFML monthly harvest reports are included FYI background, March 2019 will not be available until mid April 2019.
 - Jenks visited site 26/2/19, all Ok.
 - Jenks and Nicole visited site 21/03/19 - with the operation fully underway. No issues were noted and general performance (including H&S) was good.
 - The NFML and NRC harvest administration is working well re income and expense financial management.

NORTHLAND REGIONAL COUNCIL - Forestry Report Q3 2018/19 Year



- Following on from feedback from the full Council meeting in December 2018, 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. However, no replanting will be undertaken until winter 2020.

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 2nd 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 foliar sampling was undertaken 20th March 2019 and samples have now been sent to Scion for analysis.
- Mid-rotation inventory is programmed and budgeted for the 2001 and 2002 areas for Q4, some 43.7 ha.
- 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 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.

NORTHLAND REGIONAL COUNCIL - Forestry Report Q3 2018/19 Year



- As outlined last report a further (unbudgeted) 2nd releasing operation to knockback the competing weed growth was required and this was undertaken in January 2019. The cost was \$2,685 (+ gst).
- The competing vegetation has been knocked back and trees are starting to emerge, so hopefully the tree crop is now underway.
- There are 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, especially noting a very dry summer, 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 the forest harvest start-up, following up on the replanting issues, maintenance, trespass, for operational planning and general forest inspections.
- General administration, liaison with NRC re environmental and animal control and other tasks, and reporting and meetings as required.
- Also noted is the fire that occurred in the neighbouring forest. Whilst initially a risk of spreading into Mt Tiger forest, it was quickly contained, but still burnt some 7 ha of their tree crop. The FENZ system seems to have worked well, as has our pre-emptive setting up with FENZ re Mt Tiger access, keys, maps, etc.

4 Upcoming Work

- Ongoing field checks for forest harvest (including H&S) maintenance, after storms, trespass, and monitoring fire risk, etc.
- Continuation and completion the harvest of the 1991 area.
- Monitor 2017 plantings releasing effectiveness.
- Get results and determine what action required for the 2nd Foliar sampling of 2005 areas.
- Continue work with NRC Biosecurity re pig control initiative/CPCA/trespass issues and animal control for the forest area as a whole, including indigenous.
- Annual spray of forestry roads to maintain access.
- Plan and undertake the MRI inventory.

Jenks
(Ian Jenkins)
Jenksmax Consulting Limited
25th March 2019.



11th January 2019

Northland Regional Council
36 Water Street
Whangarei 0110

Attention: Ian Jenkins/Nicole Inger

MONTHLY REPORT – January 2019

Health & Safety

Incident Reporting by Type and Frequency for January 2019:

There were no incidents reported

Incident Type	No. Incidents Reported
Lost Time Injury	0
Medical Treatment Injury	0
Near Miss	0
Property Damage	0
TOTAL	0

Critical Rule Breaches

There were no reported critical rule breaches reported during the month of January 2019.

Health & Safety Audits

There were no system audits and no operational audit carried out for the month of January 2019.

Crew	No. of "A ratings" (Operation to cease immediately)	"A rating" Comments	No. of "B ratings" (Remedial action required within 24hrs)	No. of "C ratings" (Remedial action required within 3-5 days)	No. of "P ratings" (Pass / Compliant)
Total	0	N/A	0	0	0

Environment

There are no environment issues to report in January.

Harvesting and Road building

The initial harvesting took place to remove a strip of trees off by Mt Tiger Road to allow for an internal road to be built to the hilltop where the log hauler will be located.

This first bit of harvest took place from 10-14 January.

Road construction took place at the early February.

Production

461 tonnes of P.rad export grades was produced:

SpeciesName	LogGrade	CustomerName	SaleVolume	%
P.Rad	P40	Greenheart	108.34	23%
P.Rad	P30	Greenheart	19.36	4%
P.Rad	AOS	Greenheart	27.65	6%
P.Rad	A	Greenheart	111.26	24%
P.Rad	K	Greenheart	0	0%
P.Rad	KI	Greenheart	114.63	25%
P.Rad	KIS	Greenheart	46.2	10%
P.Rad	Pulp	Marusumi	33.85	7%
	TOTAL		461.29	

Regards



Neil Geerkens
General Manager



15th February 2019

Northland Regional Council
36 Water Street
Whangarei 0110

Attention: Ian Jenkins/Nicole Inger

MONTHLY REPORT – February 2019

Health & Safety

Incident Reporting by Type and Frequency for February 2019:

There were no incidents reported

Incident Type	No. Incidents Reported
Lost Time Injury	0
Medical Treatment Injury	0
Near Miss	0
Property Damage	0
TOTAL	0

Critical Rule Breaches

There were no reported critical rule breaches reported during the month of February 2019.

Health & Safety Audits

There were no system audits and no operational audit carried out for the month of February 2019.

Crew	No. of "A ratings" (Operation to cease immediately)	"A rating" Comments	No. of "B ratings" (Remedial action required within 24hrs)	No. of "C ratings" (Remedial action required within 3-5 days)	No. of "P ratings" (Pass / Compliant)
Total	0	N/A	4	0	35

B rating issues in month operational audit were;

1. Training notes for 1 crew member not on site.
2. 20 litres of water required on site for fire control purposes
3. Safe Zone sign not put up immediately when site was established and work started.
4. NFM work rules not signed by all staff on site.

Environment

There was a fuel leak on the weekend of 2-3 March. Forest Security noted it and informed NFM first thing on Monday. A fuel filter had been over tightened on Friday afternoon by the mechanic cracking the water bowl at the bottom. An amount of fuel dripped from the filter.

The amount was hard to determine.

The soil was dug up and removed from site, sent to land fill.

It ground was rock hard and the fuel did not soak in to the clay, it stayed on top.



Site once the soil had been removed and levelled off



Road construction

Road construction was completed in the first week of February.

The actual length of road is just under 300m, but the budget had 200m. Not clear if this was a typo in the budget length.

The 200m plus landing has a budget cost of \$26,500

If the budget had been 300m the budget cost would have been \$34,500.

The actual cost is \$4.67/t for the road and landing.

The budget cost was \$3.61/t. If this had been checked it would have raised flag, in being too low.

Production

Log load out started on the 26 Feb

561 tonnes of P.rad was loaded out in the last 2 days of February:

SpeciesName	LogGrade	CustomerName	SaleVolume	%
P.Rad	P40	Rosvall	87.7	16%
P.Rad	P30	Greenheart	79.7	14%
P.Rad	A	Greenheart	134.2	24%
P.Rad	K	Greenheart	27.2	5%
P.Rad	KI	Greenheart	41.5	7%
P.Rad	M20	CHH	72.2	13%
P.Rad	S30	CHH	103.1	18%
P.Rad	KIS	Greenheart	15.4	3%
	TOTAL		561	

Regards



Neil Geerkens
General Manager

TITLE: Business with the Public Excluded

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.

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
5.1	Confirmation of Confidential Minutes - 13 February 2019	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	Commercial Property Investment Strategy 2016 - 2019	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).
5.3	Kaipara Service Centre Geotech Report and Topographical Survey	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).
5.4	Kaipara Service Centre Tenancy(s)	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 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).

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

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.