

Submission on Draft WDC 10YR Plan

Shaping Our Future

Delivery of water supply, waste water and storm water remains with Council. As mentioned in draft 10yr plan, Council will be considering if we can join our neighbouring councils to deliver these services. This could lead to more debate on full amalgamation, as we have seen recently with the “Mayor’s Comment” in the Waitomo News.

While it is not a proposal specific to the Draft 10yr Plan I feel it will be and should be debated in the next 10yrs. If we were to amalgamate as far as Waipa DC, which has very restrictive rules on subdivision, we need to consider what is important for our communities. I have included an update on my submission for the draft annual plan 2022. At the time Council was considering restricting subdivision rules to bring them into line with neighbouring councils.

Introducing a Differential on Roothing Rates For Forestry

In the “Mayor’s Comment” in the Waitomo News, May 7 referring to a forestry rate “I suspect most of us believe that those who cause this damage should pay to fix it – the principle that the exacerbator pays.”

Council staff has suggested to me, a direct differential on their roading rate for forest owners, is a very blunt instrument to deal with the issue. Will we see changes to this proposal in the future to include more forestry blocks? I consider a more targeted approach to the damage caused on council roads will result in better outcomes. The proposed rating differentials on some forestry blocks will mean these owners will end up paying considerably more in rates than the potential cost of any remedial works needed to get the roads back to a suitable standard. A 100ha forest at Mahoenui, that we recently harvested, needed no remedial work to the council road after harvesting. (Totoro Rd) Under the proposed differential, the rates increase on that forest over the 25yr rotation would be \$170000.

The lower CV of hill country forestry blocks reflects the market value of forestry land which is related to risks associated with markets, harvesting costs, climate events (fires, wind throw) and the limited potential for change of land use. To suggest that the value of trees should be used for rating purposes opens up a whole debate on rating business’s on profitability or on the changing value of stock and plant. Do we really want to go there?

The profitability of forestry is under serious pressure with increased harvesting costs and compliance. Current log prices are \$8 below 3 and 6yr averages, and could be at these levels or lower for some time. This is making harvesting of some blocks uneconomic. The scale of the proposed road rating differentials at 12 x on 100% forest blocks would make more blocks uneconomic. As the forest industry in the Waitomo District matures more permanent businesses and local jobs will develop. All industries have downturns and a strong local economy needs diversification.

There are only 3 substantial forest owners in the Waitomo District. Greenplan Forests, with the current harvesting being managed by NZ Forest Managers who have considerable experience in harvesting and in working with a number of Regional and District Councils. Manulife and Rainier Forests. The owners and managers of these blocks understand the importance of maintaining and improving the structure of unsealed roads during harvest and leaving them in a good state post-harvest.

We need to incentivise forest owners to limit the damage to council roads. A blunt rating system disincentives this. Good harvest planning is critical to the profitability of forestry.

Council working with forest owners and managers will have better outcomes, as there will be more incentive to minimise the use of and damage to council roads. Harvest planning will include, planned routes to state highways, location of entrances to council roads, harvest timing to reduce winter logging and distances traveling on unsealed roads.

There needs to be the option of forest owners and their contractors doing the work themselves of widening and strengthening the base of unsealed roads, but not then penalised with excessive rates. I fully understand the impact logging trucks can have on council roads over a relatively short period, however there is still a direct payment under the current rating system and indirectly through road user charges and fuel taxes.

Conversing with other councils who have some experience with longer term forest harvesting and who recognise the value of forestry to their local economy would be useful.

I wish to speak to my submission at council

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