
From: Jackie Egan <jackie@nzfm.co.nz>
Sent: Friday, 17 May 2024 2:44 pm
To: haveyoursay
Subject: Submission to Consultation Document - Draft Long Term Plan 2024-2034
Attachments: DLTP 20242034_NZFM Submission_May2024.pdf

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TO WHOM IT MAY CONCERN:

Please find attached a submission to the Waitomo District Council's Consultation Document for the Draft Long Term Plan 2024-2034.

If you have any questions regarding this submission, please don't hesitate to get in touch.

Kind regards,
Jackie

Jackie Egan | Environmental Planner
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Feedback to: Waitomo District Council's
Consultation Document to the Draft Long Term Plan 2024-2034

To: Waitomo District Council
PO Box 404
TE KUITI 3941
haveyoursay@waitomo.govt.nz

From: NZFM (2022) Limited Partnership, T/a NZ Forest Managers
P.O. Box 304
TURANGI 3334

Attention: Jackie Egan
Environmental Planner
Ph: 07 386 8757 or 027 287 6124
Email: jackie@nzfm.co.nz

I would like to present this submission in person at a hearing and will be happy to present a joint case with others of similar submissions.

NZFM could not gain an advantage in trade competition through this submission.

FEEDBACK TO THE CONSULTATION DOCUMENT OF THE LONG TERM PLAN 2024-2034

1 Introduction

New Zealand Forest Managers (NZFM) is a privately owned forest management company based in Turangi. Our company is a specialised contract forest management organisation that provides commercial forest owners with a comprehensive management service covering the full range of operations from forest development and establishment, protection, and investment through to harvesting and marketing.

Within the Waitomo District, NZFM manages forests on behalf of six different forest owners. These are a mix of freehold landowners and forests managed under Forestry Rights. The total area managed by NZFM is 2,522 hectares which equates to approximately 9% of the total forest area in the Waitomo District¹. NZFM has managed forests within the Waitomo District for many years and has been involved in Council planning processes over this time.

¹ Based on figures from the 2023 National Exotic Forest Database (NEFD).

2. General Comments to the Consultation Document of the Draft Long-Term Plan 2024-2034

NZFM's submission to the Draft Long-Term Plan 2024-2034 (DLTP) focuses on the proposed options to manage the impact and damage to local roads from logging trucks during harvesting activity. On page 25 of the consultation document, Council's preferred option is to introduce a differentiated District Roding Rate - a rate differentiated on the basis of use. The differential factor applied will either be 12 or 6, depending on whether the forested property is mixed use or entirely forested.

NZFM used the online rates calculator provided to determine the impact the proposed differential rate would on forests under its management.

Table 1. Impacts to rates of forested properties from proposed differentiated District Roding Rate

Name	CV	Area	Rates	2023/24	2024/25
Paraheka Forest	\$5,370,000	1,447.2 ha	Total Rates	\$19,594.20	\$54,929.44
			<i>Roding Rate component</i>	<i>\$6,383.30</i>	<i>\$40,644.46</i>
Note: This forest is currently 17 years old and assuming a harvest age of 35 years, will not be using any local roads for harvest activity until 2041. Between 2024 and 2041 \$342,000 of roding rate will be collected by WDC.					
Name	CV	Area	Rates	2023/24	2024/25
Tregoweth Forest	\$987,000	345 ha	Total Rates	\$4,103.7	16,968.14
			<i>Roding Rate component</i>	<i>\$1,173.2</i>	<i>\$13,906.48</i>
Note: Harvesting has begun in Tregoweth Forest. Prior to harvest NZFM spent ~\$160,000 upgrading two entrances onto Waimiha Road. This included a contribution to the resealing of Waimiha Road in late-2023.					
Note: This forest has two titles, one title address is the State Highway 30 the other is a local road address meaning two different roding rates are applied for the same forest.					

The financial implication of the rate increases above are significant, particularly given the additional information provided for each to give context to each forest situation. These examples will be referenced in the submission points made below.

2.1 Methodology for addressing issue is flawed

Using a differentiated roding rate to manage the effects of damage to local roads for harvesting activities is a blunt instrument that will not be effective at addressing the issue.

NZFM recognises that the difficulty rural District Councils face in maintaining a large local roding network with a proportionately smaller ratepayer base. Severe weather events can have significant effect to rural roding networks, which can be isolated and used by few ratepayers but are important links for rural communities. We also acknowledge that during harvesting activity, roads are used extensively by logging trucks and the wear and tear of the roads can be hard to predict for maintenance scheduling purposes.

As proposed in the DLPT, a significant amount of revenue will be generated from the roading rates throughout the majority of a plantation forests rotation, and this cannot be accrued to be used on the road at harvest time. As shown in the Table 1 above, Paraheka Forest will be rated ~\$342,000 between 2024-2041, assuming a 35 year harvest age for the redwood forest crop. The decision when to harvest is the forest owners - if this forest is harvested at all. Sequoia species (Redwoods) have greater flexibility in rotation length and harvest sequencing than a typical *Pinus radiata* plantation forest. The blunt use of the differential roading rate in this situation is not achieving the intent of the targeted rate and is collecting a significant revenue from one property owner simply for growing trees.

Harvesting is a very short period of a plantation forests rotation, typically 1-2 years in every 30 years for *Pinus radiata*. Collecting rates for period of time that a forest is growing for a purpose that is not relevant when the forest is growing is flawed and not an efficient method of addressing the maintenance cost for roads used during harvesting.

The differential factors of 6 and 12 are not well described and there is little information on how these were determined, other than to achieve an additional ~\$500,000 revenue for roading. This is 11.72% of the overall rates increases increase proposed in the DLTP.

It is difficult to determine whether the additional \$500,000 annually collected from the differential roading rate for forested properties, as proposed in the DTP, is sufficient to cover the projected annual cost of damage from harvesting activity as this information is not provided. Likewise, the DLTP states that there will be a shortfall in maintenance costs for local roads and additional investment from forestry companies will be required to cover this. The details of this shortfall are not provided making it hard to provide comment on.

2.2 Alternative methods will achieve objectives more efficiently

Harvesting is penultimate phase of a plantation forest's rotation. This is when the investment in the forest during its growing phase is realised. Financial expenditure on road maintenance during harvest time matches the revenue profile for the forest and is the preferred option of forest owners. Expenditure at the time of harvest ensures that road maintenance is undertaken during the time of use and that the maintenance work is designed to the specific requirements of each road.

In the example of Tregoweth Forest in Table 1 above, NZFM completed two roadway entrance upgrades on Waimiha Road prior to harvest commencing. This included asphaltting the entrances to ensure that the upgrades were consistent with the resealing of Waimiha Road, which was completed in late-2023 by Council. This additional work (asphaltting) was requested by WDC and is not a usual requirement for forestry road entrances. This is an example of road maintenance and upgrade work being completed to the specific requirements of the road, in consultation with Council.

In addition, forest companies are regularly undertaking road construction and maintenance work and have relationships with roading contractors and supplies that mean the work can be completed in a more cost effective manner than general Council roading contracts.

2.3 Allocation of differential not accurate

The proposed method for allocating the differentiated rate is based on the address of the property. This is not accurate for determining the extent of road use at harvest time. Some plantation forests will be located on local roads but use State Highways for transportation and the converse of this is also true. The only way to determine accurately what roads will be used during harvesting activity and the timing of road use is to engage directly with forest owners.

The National Environmental Standards for Commercial Forestry requires that notification be provided to Councils prior to harvesting commencing. A minimum 20-day notification is required. The notification will provide contact details of the company undertaking harvesting activity, and then enable Council to engage with the companies – if they have not been proactive in doing so themselves – to determine the trucking routes and volumes for each forest. The appropriate road maintenance and post-harvest rehabilitation work can then be determined. For most harvest operations, road maintenance costs are factored into the costs associated with harvest activities.

A direct engagement approach also provides equity to forests within the District that will not necessarily be harvested, such as forests grown for carbon. Direct engagement with forest owners/managers will better meet the objectives of the Council's Infrastructure Strategy by targeting work where it is needed.

2.4 In summary

NZFM opposes the proposed differentiated roading rate proposed for forested properties within the Waitomo District Council's Draft Long-Term Plan 2024-2034.

Our concerns relate to the lack of information provided within the consultation documents about the extent of the roads damaged by harvesting activity and the costs these impose, the methodology used to address the issue of damaged road through harvest activity and the proposed allocation of the differential roading rate.

NZFM submits that alternative methods exist for WDC to achieve better maintenance outcomes for local roads that are used harvest activity. These should be investigated and in some cases are already working.

Thank you for the opportunity to provide comment to the Consultation Document of the Draft Long-Term Plan 2024-2034. If you have any questions regarding the points made within this submission, please do not hesitate to contact me.

Kind regards,

Jackie Egan
ENVIRONMENTAL PLANNER