

# MINUTES

**TITLE:** Council's Enterprise Subcommittee  
**DATE:** Wednesday 20 July 2005  
**TIME:** 9.30 am  
**VENUE:** Council Chamber, 189 Queen Street, Richmond.

**PRESENT:** Crs S G Bryant (Chair), E E Henry, M J Higgins, N Riley, J L Inglis

**IN ATTENDANCE:** Chief Executive (R G Dickinson), Corporate Services Manager (D G Ward), Service Centres Manager (R Askew), Reserves Manager (B Wilkes), P Wilks, D Fincham, B Dougherty (P F Olsen & Co Ltd), Corporate/Engineering Administrator (V M Gribble)

## APOLOGIES

Moved Crs Riley/Higgins  
FN05/07/06

**THAT apologies from Cr Henry for lateness be sustained.  
CARRIED**

## 1 CONFIRMATION OF MINUTES – 8 JUNE 2005

Moved Crs Inglis/Riley  
FN05/07/07

**THAT the minutes of the meeting of the Council Enterprise Subcommittee held on 8 June 2005, containing resolutions numbered FN05/06/01 to FN05/06/08 be confirmed as a true and complete record of the proceedings of that meeting.  
CARRIED**

Cr Bryant introduced Mr Askew, the Service Centres Manager to the Committee.

Cr Higgins congratulated Mr Askew on his appointment.

## 2 FORESTRY

### 2.1 Introduction of Dave Fincham – New Forestry Manager

Mr Wilks introduced Dave Fincham, the new Forestry Manager for P F Olsen & Co Ltd and also Ben Dougherty, from Vigil Forest Health.

## **2.2 Kyoto Forest Association Request for Financial Support**

Mr Wilks spoke to the letter contained in the agenda from the Chief Executive, P F Olsen & Co Ltd requesting a payment of \$3,536.33 for a media campaign on the Kyoto Protocol.

Cr Higgins expressed reservations about the publicity campaign. He said to drive the principle forward will disadvantage Council and small forest owners. If carbon credits are paid to forestry for forests planted after 1990 it may drive planting of forests on a basis that is not market led.

Mr Wilks sympathised with Cr Higgins line of logic and explained how the system will work.

Cr Bryant noted the contribution requested is a voluntary.

Mr Dickinson said through the carbon credit regime, planting trees has an additional economic value. He said Government has taken another incentive away from forestry and they shouldn't be surprised that new planting has stopped.

Cr Henry arrived at the meeting at 9.55 am.

Mr Wilks said the issue of carbon tax paid on pre-1990 plantings is one of the issues that will be addressed with the media campaign.

Mr Ward arrived at the meeting at 10.00 am.

**Moved Crs Higgins/Inglis  
FN05/07/08**

**THAT the letter from P F Olsen & Co Ltd be received and no further action be taken.**

**CARRIED**

## **2.3 Provisional Estimates**

Mr Wilks said the full financial report to 30 June 2005 has not yet been finalised and gave the Subcommittee a verbal report.

Cr Higgins was mindful of slowing in the building industry and asked what it would do to the market.

Mr Wilks said a relatively small log price reduction has been achieved. The next six months sales are locked in to Southpine and are reasonably buoyant. They have ceased supplying Eves Valley mill at the moment. The domestic market situation is not great, but we are in a reasonably good position.

**Moved Crs Higgins/Inglis  
FN05/07/09**

**THAT the verbal financial report from P F Olsen & Co Ltd be received.  
CARRIED**

**2.4 Request for Funding Further Wood Quality Testing at Biosolids Trial**

Mr Wilks advised he had received a request from Forest Research for \$12,000 funding to do some wood sampling of the Biosolids trial at Rabbit Island. He undertook to present a report to the next Council Enterprise Subcommittee on the matter.

**2.5 Forestry Health Report**

Mr Dougherty from Vigil Forest Health introduced himself and spoke to the Forestry Health Report which he tabled. He carries out forest health and biosecurity work on Forest Research's behalf. The report he presented covers the 2004/2005 financial year. During the survey emphasis was placed on detecting a disease which is prevalent in Otago/Southland Region which causes malformation of pruned stems. As part of the survey he was looking to see if it was in the TDC forest but no signs were found within the estate. He said the state of the TDC forests was very healthy, with no concerns.

A lot of diseases found in Nelson are found throughout New Zealand, with the main difference being nutritional based problems, because of where forests are planted. The symptoms the new disease in Otago shows are identical to another disease and to distinguish between the two normally requires samples to be collected and analysed.

Mr Dickinson said the Subcommittee will want to be assured about the TDC's forest health and that any problems are being correctly addressed.

Mr Dougherty said the TDC forests are in better than average condition and the problems that can be addressed are being addressed.

**Moved Crs Riley/Inglis  
FN05/07/10**

**THAT the Forestry Health Report, as tabled, be received.  
CARRIED**

Messrs Wilks, Fincham and Dougherty left the meeting at 10.20 am.

**3 MOTUEKA AIRPORT REPORT JULY 2005**

Mr Askew spoke to the report contained in the agenda.

Mr Dickinson reported on a meeting with the Airport Users and the notes from that meeting were included in the agenda.

Mr Askew advised that he had received a copy of the New Zealand Drag Racing Association rules/operating conditions and also the specific set relevant to Motueka which are limited competition rules and have restrictions on power of vehicles.

Mr Dickinson said Drag Racing have been given a slightly amended licence, and they have advised that they are ready to start building the barrier, net and tyre bund. The bond is required to be paid before the first drag racing meeting.

Mr Askew said the request to do the work at night would be least problematic for airport users. Some works will have to be done during the day. We try to give people as much warning as possible of when the airport will be closed. We can schedule work to be done when there is the least amount of traffic.

Mr Askew said Mr Frater organises the leases and they are based on a valuation carried out by a registered valuer. Timeframes for review are over a five year period.

**Moved Crs Henry/Riley  
FN05/07/11**

**THAT the July 2005 Motueka Aerodrome Report be received.  
CARRIED**

#### **4 PORT TARAKOHE**

Mr Ward spoke to the report contained in the agenda.

##### **4.1 Aquaculture Levy**

In March 2005 invoices to the value of \$43,476 for backbone levies were issued to industry members. To date the majority of these remain unpaid as aquaculture industry politics are being sorted out.

Mr Ward advised that a consultative process has been undertaken and legal advice has been sought on the issue.

Cr Riley said there is a consent issue for aquaculture in Golden Bay but he believes it could be negotiated.

**Moved Crs Riley/Higgins  
FN05/07/12**

**THAT staff be instructed to proceed with the collection of levies from the aquaculture industry, thereby ensuring their equitable contribution for services used at Port Taranaki.  
CARRIED**

Cr Higgins commented on the need for a speed limit on the wharf as trucks use the route instead of going through the tunnel in the road. Staff are investigating whether the tunnel roof can be raised.

**Moved Crs Higgins/Inglis  
FN05/07/13**

**THAT the Harbour Manager be requested to undertake a study of traffic movements within the confines of Port Tarakohe with particular emphasis on speed, car parking and general storage.  
CARRIED**

**4.2 Facility Leases**

Mr Ward advised that the three leases currently operating at Port Tarakohe will be reviewed. Talley's have asked that their area be extended to allow them to build a new chiller.

Mr Dickinson advised that discussions have been held with DoC as there are restrictions of what can be carried out on a general purpose reserve.

Cr Bryant suggested a through-put fee could be negotiated with Nelson Petroleum Distributors for fuel.

**4.3 Harbour Manager's Contract**

Mr Ward advised that Mr Kilgour's contract expired on 30 June 2005. The contract is currently being reviewed acknowledging that there will be limits set on chargeable hours and delegated authority will be restricted in areas of significant berthing decisions, significant expenditure and public comment.

**4.4 Financial Matters**

The agenda contained a summary of operating income and expenditure over the past three years, and projections into the future.

**Moved Crs Riley/Inglis  
FN05/07/14**

**THAT staff be requested to review casual berthage rates and wharfage rates to enable overall revenue sources to meet anticipated port operating expenditure costs.  
CARRIED**

**4.5 Mussel Lines**

Cr Inglis advised he has received a letter from Mr P Talley saying that in his opinion, the mussel lines are in the wrong place. He maintains they should be within a mile of the coast because that is where the food is. Mr Talley has stated that he will take the matter to the Environment Court.

Mr Dickinson said if that sort of opposition occurs it will be even longer before the income stream improves for Port Tarakohe. He said it needs to be reported to the Resource Management Policy Committee.

**Moved Crs Henry/Inglis  
FN05/07/15**

**THAT the Port Tarakohe – Current Issues and Financial Projects report be received.  
CARRIED**

**5 RESOLUTION TO EXCLUDE THE PUBLIC**

**Moved Crs Riley/Higgins  
FN05/07/16**

**THAT the public be excluded from the following part of the proceedings of this meeting, namely:**

**Motueka Airport**

**The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for passing this resolution are as follows:**

<b>Subject</b>	<b>Reasons</b>	<b>Grounds</b>
<b>Motueka Airport</b>	<b>Maintenance Contract and Lease issue</b>	<b>To enable the Subcommittee to carry on without prejudice or disadvantage, commercial negotiations</b>

**CARRIED**

(Refer to Confidential Minute Book, resolutions numbered FN05/07/17 and FN05/07/18).

**Moved Crs Inglis/Henry  
FN05/07/19**

**THAT public meeting be resumed and the business transacted while the public was excluded be adopted.  
CARRIED**

The meeting concluded at 12.20 pm.

Confirmed:

Date: