

Report 12.149
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Committee Council
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Spicer Forest – sale of Greater Wellington’s interests to Porirua and Wellington City Councils

1. Purpose

To accept the payment of \$393,689 plus GST from Porirua City Council (PCC) and Wellington City Council (WCC) as compensation for Greater Wellington’s interest in the Spicer Forest.

2. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

2.1 Significance of the decision

Part 6 requires Greater Wellington to consider the significance of the decision. The term ‘significance’ has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council’s significance policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Under the terms of the joint venture the trees would have been harvested in a few years time and Greater Wellington’s share paid out. This proposal only brings forward what would have happened. There is a slight difference in that Greater Wellington is receiving a sum based on an agreed valuation. With the harvest process the amount received would have been a share of the actual sales figure, less harvesting costs.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

3. Background

Spicer Forest was planted as a Joint Venture between Porirua City, Tawa Borough and Wellington Regional Council in the mid 1980s and is due for harvest about 2016. The land was provided by the Borough and City Council and management by GW. Wellington City Council subsequently absorbed Tawa Borough. The net revenue (stumpage) following the sale of the logs was to be shared as follows: GW 66.09%; Porirua 26.187%; and WCC 7.784%.

4. Discussion

In 2009 Wellington City commissioned a discussion paper called "Spicer Forest Joint Venture Forest Management Options" This document was considered by the Landfill Combined committee that has responsibility for the Porirua and Wellington City interests in the Joint Venture. The report looked at a number of options and the requirement that the forest be replanted in native species following harvest. The cost of this replant was \$0.75M for Porirua and \$0.340M for Wellington. Replanting would cost these Councils significantly more than they would receive when the plantation forest is harvested.

About this time Meridian approached Wellington and Porirua with a proposal to access its Mill Creek site through the Spicer forest. GW indicated that it would not oppose any proposal that was "neutral" to the joint venture.

The two Councils then came up with the present proposal. It proposes that GW be "brought out" of its interests and that harvesting be phased over a number of years. This will allow Meridian to use the road and provide some funding for native plants as the area is logged over a period of time.

GW officers have been in negotiation over the value of the forest based on an independent valuation as at 30 June 2011. We have finally agreed that the June 2011 valuation will be "grown on" to June 2012 to the correct age and payment will be based on that amount. While this does not include any "market gains" it also does not include any "market losses". The difference is not anticipated to be significant.

Currently there is some recreation in the Spicer Forest area. Better access and a mix of plantation and natural vegetation is expected to enhance the recreation experience. Officers support the changes proposed, these will complement the recreation opportunities at Whitireia Park and Belmont Regional Park.

5. Communication

Wellington City Council and Porirua City Council will be informed of the Council's decision.

6. Recommendations

That the Council:

1. **Receives the report and notes its contents.**
2. **Approves the sale of Greater Wellington's interest in the joint venture for \$393,689 plus GST.**

3. *Notes, upon payment, Greater Wellington will have no further interest in the Spicer Forest or the Joint Venture.*

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