

New Zealand Forest Owners Association

Submission to the

Ministry Of Transport

on the Review of the

Regional Development Transport Fund

7th December, 2007

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1. Introduction

This submission is to provide the Ministry of Transport (MOT) with information about the Regional Development Fund (Regional Development Activity Class) that has operated in Northland and Tairāwhiti since the 2002/2003 financial year.

It is intended to be a balanced view of what the Regional Development Fund (RDF) has achieved in the two regions and to compare what has been achieved with the programme of work indicated in the regional studies¹ that lead to the establishment of the Fund.

The submission is structured to cover the key issues of:

- the work completed to date;
- the investment in processing associated with the RDF programme;
- the work required to complete the project; and
- the funding options for the remaining work.

The balance of the submission covers the forestry industry involvement in the process, issues that arose (primarily early in the programme) and other aspects.

Disclaimer

The information in this submission on the historic costs of projects represents the best information set that has been able to be gathered to date with the assistance of LTNZ, Wairoa and Gisborne District Councils. It has not been independently checked and may contain errors or omissions.

The Road Controlling Authorities have advised that no cost information is available for some of the historic early Tairāwhiti projects even though the best endeavours have been applied to get all the information.

The future list of projects for the period 2008/09 onwards represents the best information available as at 30 June 2007. This is subject to change with different priorities in the future or other facts making the project list change.

Not all projects have an indicative cost and this represents the information set that is available at the June 2007.

¹ The Northland Integrated Transport Study and the Tairāwhiti Regional Development Plan.

2. Executive Summary.

2.1 This submission is in response to the invitation by letter from the Ministry of Transport dated 23 November, 2007 to submit information relevant to the topics set out in the Scope & Framework document attached to that letter.

2.2 Both regions undertook studies in 2001/02 to determine the scale of investment required given the potential development of the forest industry in the short and long term. These studies highlighted the need for significant investment in the roading.

One of the major constraints on developing the forest industry in both regions was identified as the lack of infrastructure investment in roading. In both cases the industry is in a position to expand significantly and become one of the major regional economic drivers.

2.3 The Regional Development Fund was created in October 2002. It has been exclusively allocated to Tairāwhiti and Northland regions since its inception.

The purpose of the fund is to facilitate regional development, specifically increased processing of plantation logs, by funding the upgrading of essential public transport infrastructure.

The fund has \$20 million plus GST to be allocated between Northland and Tairāwhiti annually². The financial assistance rate for both regions for this programme is 100%.

2.4 The partnership basis of the programme required that industry would provide the investment for in-forest and processing infrastructure, and that the local authorities would fund maintenance and depreciation costs from their normal revenue base.

2.4 Over the last five years there has been good progress made in both regions however a significant amount of work remains to be completed.

Tairāwhiti Region:	Spent to June 2008	\$50,961,200
	Further expenditure required	\$42,675,000
Northland Region:	Spent to June 2008	\$59,548,000
	Further expenditure required	\$49,898,000
Combined Regions:	Spent to June 2008	\$110,509,000
	Further expenditure required	\$90,344,000

2.5 The original studies indicated that in Northland, the projects required to upgrade the absolute priority roads \$57.86 million. The fund will have provided \$59.5 million to 30th June, 2008.

In Tairāwhiti, the required funding was estimated at \$56.8 million³. The fund will have provided \$51.0 million to 30th June, 2008.

² The allocation for the first period of the programme covered a 16 month period. When GST is added to that initial allocation, the total for that period was \$30 million.

2.6 At the current rate of progress, it will take at least three more years to get an adequate transportation network as envisaged by the original Northland and Tairāwhiti Transportation Studies.

2.7 In Northland the harvest increase has started and over the next couple of years is expected to increase approximately 100,000 to 150,000 tonnes each year for the next five or more years. This is some 3,700 to 5,500 extra truck loads per year each year on the road network and associated bridge structures.

In Tairāwhiti there has been a 50% increase in harvesting over the last 18 months to a level of 800,000 tonnes per year and this is likely to double over the next five years and double again over the subsequent five years to a total of about 3,300,000 tonnes per year.

2.8 In both regions there is active investment in processing directly related to the Regional Development Fund.

In Northland:

- The Juken New Zealand (JNL) plant has doubled its capacity and one new sawmill has been commissioned and a pole manufacturing plant is planned.
- There is the possibility of future expansion of Rosvall Sawmill and Futurebuild LVL plant. The new investment will result in the processing of an additional 850,000 tonnes of logs, with an estimated value of some \$100 million since the RDF programme began.

Future expansion could add an additional 200,000 to 300,000 tonnes of log processing, bringing the total additional processing to one million tonnes of logs per year above the level existing when the RDF started.

In Tairāwhiti;

- There has been investment by JNL adding an additional 40,000 tonnes of log processing since 2003. JNL plans to invest further to increase the processing by 50,000 tonnes in the next three years.
- Hikurangi Forest Farms Ltd plans to start processing in three years, using staged expansions to get to a total level of 700,000 tonnes of logs.
- Ernslaw One has purchased the Huaguang Forests from the receiver. In addition they have purchased the Prime Holdings Sawmill. This investment was significantly influenced by the operation of the RDF programme which was seen to ensure viable access to the forests. Recent investment in the sawmill has added 150,000 tonnes of log processing and future plans could potentially double that again.
- East Coast Lumber in Wairoa has increased processing from 2,000 to 30,000 tonnes of logs per year and intends to expand to about 80,000 tonnes over the next three to five years.
- Clyde Lumber in Wairoa has increased processing from 5,000 to 30,000 tonnes of logs per year and intends to expand to about 80,000 tonnes over the next three to five years.
- East Coast Timber Processors is commissioning a dry mill to kiln dry timber for both East Coast Lumber and Clyde Lumber. Initial production of 30,000 cubic metres per year of sawn timber will increase over the next five years to 100,000 cubic metres per year.

³ Tairāwhiti Integrated Transportation Strategy Study – Part II Economic Justification for Road Improvement Works. Final Report. August 2001. Section 3.7, page 16.

- Pan Pac Forest Products Ltd has spent approximately \$52 million at its Whirinaki site⁴ on capital works including three new kilns, a second boiler, and electricity generation plant and heat recovery works. Lumber and chip export operations have significantly expanded. Harvesting from Mohaka Forest has increased from 144,000 tonnes to 420,000t tonnes per year.

Investment in Tairāwhiti over the last few years is thought to be about \$20 million, with significant more investment planned in the future by JNL, Ernslaw One, Hikurangi Forest Farms, East Coast Lumber and Clyde Lumber. Since the RDF programme started, an additional 400,000 tonnes of processing has been added, with plans to add at least 750,000 tonnes in place. Tairāwhiti has the plans to add one million tonnes of log processing per year above the level existing when the RDF started.

2.9 There is at least another three years of work from 2008/09 to 2010/11 to complete the programmes. A golden opportunity exists now to lock-in development of the forestry processing industry in two regions of New Zealand which have historically been under-developed.

2.10 Today the problem is partially, but not completely resolved. It is important that the current work programme is completed in accordance with undertakings given by the Government back in 2002. There has been significant investment made in both regions, with more investment planned on the basis that the outstanding infrastructure deficits are rectified. If the job is not completed it is likely that the industry and local communities will see it as a betrayal.

2.11 For the industry to grow and develop requires a partnership approach where the industry is investing money to harvest and process the forests. New Zealand Inc (local and central authorities) needs to match the investment in the relevant public infrastructure to ensure the private investment can operate efficiently.

2.12 The informal role of the industry in the setting of standards and priorities has been effective in moderating costs and ensuring that projects were undertaken in a sequence to support processing investment. That role would be more effective if it were formalised.

2.13 There are no other regions in New Zealand that present similar opportunities and constraints as Northland and Tairāwhiti:

- Low socio-economic status and low population/rating base;
- Large increase in harvest from forests that have not been harvested previously;
- A roading infrastructure that is totally inadequate to cope with the increase in heavy traffic.

There is no case for extending the RDF programme to other areas.

⁴ Although Whirinaki is outside the Tairāwhiti region, the main source of log supply for this plant is forests in the Wairoa District. There are significant spin-off benefits to Wairoa from this stable source of employment and log supply.

3. Consultation done in preparing this submission.

The process of gathering information for this submission was through interviews or questionnaires being filled out by a range of organisations. Feedback was sought from the RCAs, forest growers / owners / managers, forest processors, Fonterra (in Northland) and general transport companies.

The purpose was to try and canvas both the forest industry in general and some of the larger organisations outside the forest industry for whom the roading infrastructure is important. The organisations contacted are not intended to be an exhaustive list or group, rather a sample.

LTNZ has been consulted in the preparation of this submission and helped prepare the programme data for Northland. Neil Geerkens⁵ carried out the data collection in Northland. A combined effort by LTNZ, Gisborne and Wairoa District Council and Peter Farley⁶ has helped prepare Tairāwhiti data.

4. Background

In 2000 and 2001 both the Tairāwhiti and Northland regions carried out studies on the future transport requires of the regions. The catalyst for these was the impending large increase in forest harvest as a result of forests reaching or about to reach harvest age (25 to 28 years after planting).

Both regions predicted a large increase in log volumes from a base of around one to one and a half million tonnes being harvested back in 2002 to a sustainable yield of around three to four million tonnes. In previous work, industry identified one of the potential bottlenecks to attracting processing to the regions was the uncertainty that logs would flow constantly because of the lack of infrastructure in the minor local roads that are used to access the forests.

Of all the industries that operate in the two regions, the forest industry is unique in that there is limited impact from the forests for the 28 or so years that the trees are growing. At the time of harvest there is a requirement for the roading infrastructure to be able to carry a high volume of heavy traffic (class 1) and over-weight loads as the equipment used to harvest the forest can weight up to 70 tonnes. Both regions have sufficient forest area reaching harvest age that the traffic volumes will be increasing dramatically and then generally remaining constant (similar to areas where the industry is mature as in the Central North Island).

These studies highlighted the need for significant investment in upgrading public roading⁷.

⁵ Co-chair of regional industry co-ordination group in Northland.

⁶ Acted as the programme coordinator for NZ Trade & Enterprise during the establishment of the procedures for the RDF. Is currently CEO of the Eastland Wood Council based in Gisborne.

⁷ The studies but did not, however, identify the potential need for bridges to be upgraded as part of the process. Some bridges could be a serious bottleneck in both regions if they are not strong enough to take the heavy

The just-in-time approach that LTNZ (formerly Transfund) uses may be the most cost effective process when traffic levels are static or growing at a low rate. It does not, however, cater for situations where there is a quantum level increase in traffic as is happening in these two regions with large areas of maturing forest. This quantum increase was clearly documented in earlier studies carried out in the 1980s and 1990s. The situation is exacerbated by the fact that local authorities do not have the ability to accumulate funds, such as rates from forestry companies, in order to be able to meet the local share contribution to a major one-off programme.

The industry has been paying local taxes (rates etc) for the last 20 to 30 years for the provision of local services on the expectation that the required services will be available when the time comes. The local road controlling authorities (RCAs = local councils) were unable to carry out significant upgrade of the infrastructure in advance of the traffic increase because the existing funding mechanism did not provide for this.

The time has arrived for the upgrade to occur, but it is of such a magnitude that the RCAs are not able to cope and did not have a mechanism to allow them to prepare in advance. The RDF programme is the only way of dealing with this situation and cannot be abandoned prior to the completion of the work unless something with equivalent effect is put in its place.

Both Northland and Tairāwhiti regions are unique in that they are characterised by low socio-economic status, a small rating base, very high-cost roading conditions, very poor roads to most forests and a very large increase in harvest from those maturing forests. Finding an additional local share to meet increased funding through normal LTNZ output classes was not a viable option.

Both regions put the case to Central Government that there was a need to develop the roading infrastructure to cope with the transport of the logs from the forest. The philosophy used was that if the infrastructure of a region was suitable and log supply was able to flow constantly, then additional investment in processing would ensue with substantial economic development and general revenue benefits to other central and local government.

The respective Local Government representatives explained to the Minister of Economic Development that the regions were unable to fund their share of the contributions required to upgrade the roading because of the small rating base and low socio-economic status.

Fund established in October 2002 with \$26.67⁸m in first 16 months and \$20m in following years (excl. GST). The financial assistance rate for both regions for this programme is 100%.

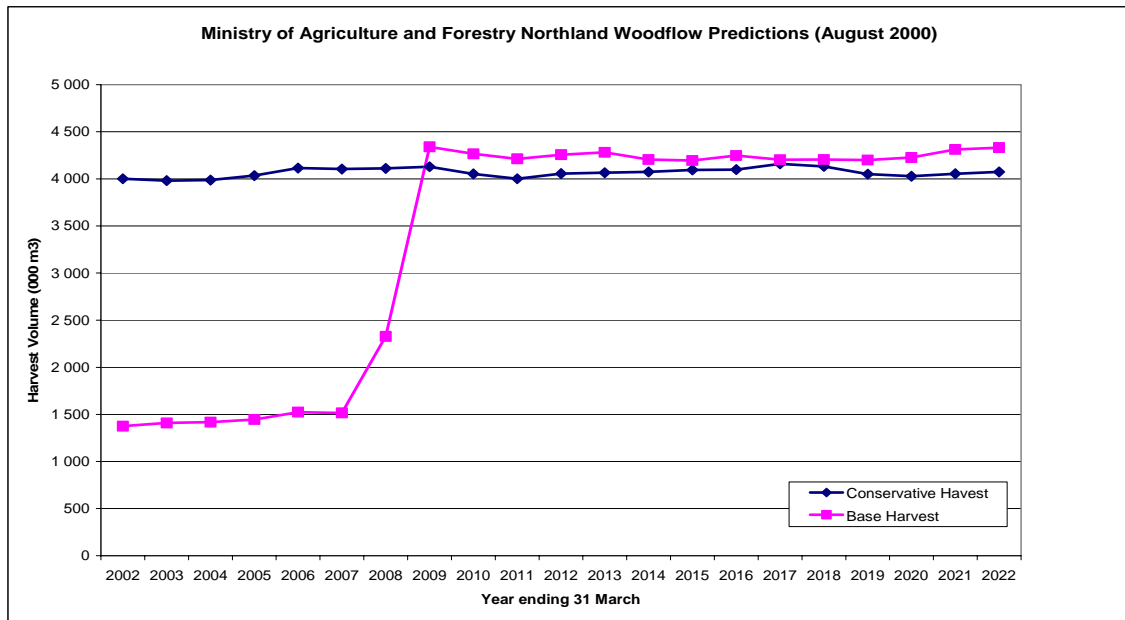
The purpose of the fund was, and is, to facilitate regional development, specifically increased processing of plantation logs, by funding the upgrading of essential public transport infrastructure.

logging equipment and there is no feasible alternative route to bypass the bridge. This issue has been only recently realised as equipment being transported to maturing forests not previously harvested.

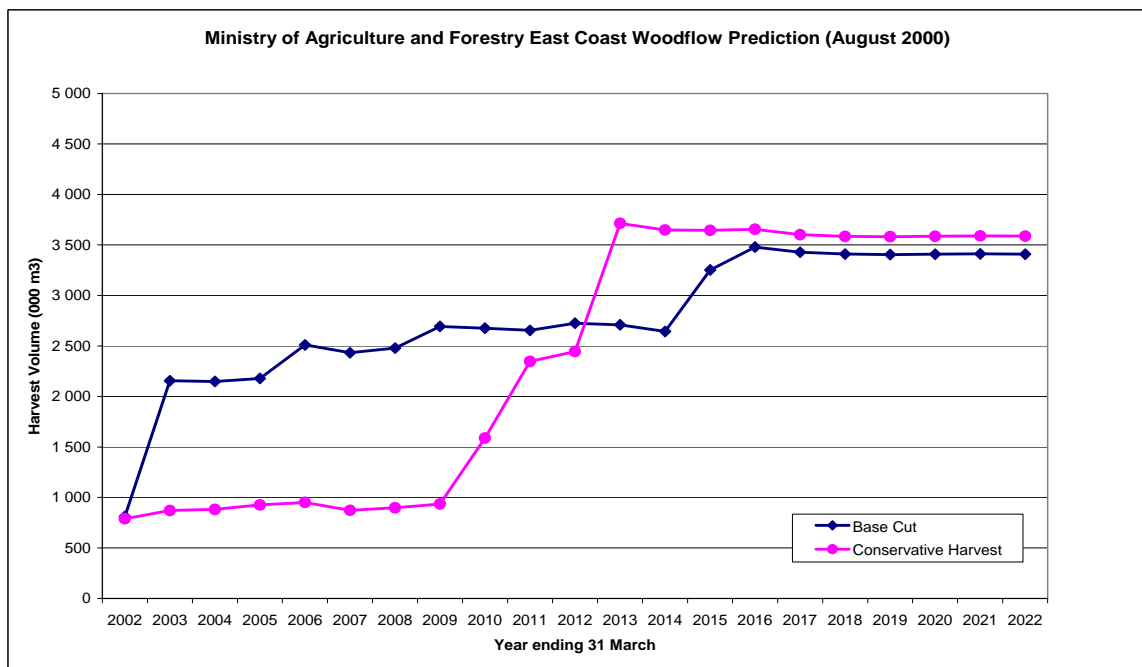
⁸ The allocation for the first period of the programme covered a 16 month period. When GST is added to that initial allocation, the total for that period was \$30 million.

The partnership basis of the programme required that industry would provide the investment for in-forest and processing infrastructure, and that the local authorities would fund maintenance and depreciation costs from their normal revenue base.

MAF Northland Woodflow Prediction



MAF East Coast Woodflow Prediction



The MAF woodflow regions do not exactly match the Northland and Tairāwhiti regions. MAF Northland woodflow region (graph1) includes Rodney District while the Northland

transport work excludes Rodney District. MAF East Coast region (graph2) leaves out Wairoa District which is in Tairāwhiti region for the transport work.

These graphs are provided to give a comparative view of the increasing harvest levels the regions are facing. The actual woodflow since 2002 is likely to be between the base cut and conservative harvest lines. {Actually for Eastland (which excludes Wairoa where the harvest is as per the forecasts) the harvest has followed the conservative harvest line to 2006 and will be well above it for 2007.}



Map 1: MAF Woodflow Supply Regions
 Source: Ministry of Agriculture and Forestry.

It is noted that the policy does state that infrastructure (primarily roading) is one of the potential constraints to trying to achieve the objective of having at least 50% of the regional log production processed (in to sawn timber or some other high value product) in the region. The other list of constraints was;

- Port of Gisborne (under the Infrastructure constraint)
- The Resource Management Act; and
- Labour and skill shortages.

5. Additional Investment.

Summary

1. The focus of policy was to get direct additional investment in new or expansion of existing processing capacity.
2. Since the RDF Programme started, processing investment in Northland and Gisborne has occurred through the expansion of existing plants. Tangible progress has been made on the development of major new processing plants in Gisborne.
3. Without the programme, production would have been dramatically reduced at PanPac's Napier plant and log exports from Gisborne would have been much higher. The loss of export earnings (from processed product), employment and skilled contractors would have been regionally and nationally significant.

The policy has the clear objective of increasing the processing of logs in the two regions and to achieve this it is aimed at addressing the identified constraint of infrastructure.⁹

⁹ Transfund NZ Technical Review of Regional Development Roading Projects 2002/03 PM02/1056T

To achieve the objective the following Funding Allocation Framework for prioritising roading projects in the two regions was developed by Transfund (now LTNZ).

Priority	Primary Objective of Funding	Secondary Objective of Funding
i(a)	Provide or improve access so as to encourage direct additional investment.	New processing capacity is encouraged
i(b)	Provide or improve access so as to encourage direct additional investment.	Expansion of existing processing capacity is encouraged
i(c)	Provide or improve access so as to encourage direct additional investment.	Expansion of log exports is encouraged
Ii	Significantly reduce travel costs for industry	
Iii	Mitigate adverse effects on safety, environment and amenity.	

The policy was created on the basis that investment would only increase if the constraints identified by the industry were removed. The investment in more processing will lead to new jobs being created. This in turn creates more income for the region, which for Central Government results in more tax take and hence the return on the initial investment.

Northland Investment

In Northland Global Forestry Partners Ltd (GFP) purchased the 50% share of the Mangakahia Joint Venture Forest from Shell Forestry NZ (a subsidiary of Shell Oil NZ). This investment (estimated at \$50 million) would not have been considered had it not been for the RDF policy that was being formulated.

GFP normally invests in forests that have already been harvested with the second crop growing, so the infrastructure in the forest and region is already developed. This was the first time that it had invested in essentially an undeveloped forest estate in an undeveloped region.

There has been additional investment in existing processing plants. TDC Sawmills in Northland has just commissioned their new sawmill plant that will double the capacity of the complex. It will now become one of the larger mills in New Zealand when running to full capacity later in 2007, consuming an estimated 400,000 tonnes of logs each year (approximately 14,800 truck loads of logs per annum, or around 40 trucks per day).

TDC state that roading infrastructure played no part in the decision to invest in additional processing, however it is clear that they have a better chance of getting the 40 plus trucks loads per day now than they did four years ago, as there are more areas of forest being harvested as a result of upgraded roads.

This sawmill was purchased by CHH and from the 1st December 2006 will be owned by CHH (Carter Holt Harvey Ltd).

Rosvall Sawmill in Northland has another perspective of the roading issue. They process only pruned logs (which are only a small part of the overall log supply). To them, roading upgrades have been important as they can see the harvest starting to increase. They need the harvest activity to get the particular log grade they use.

As a result Rosvalls have started investing in additional equipment for the mill to provide them with the ability to increase capacity back up to 2002 / 2003 levels before they were hit by the high exchange rate over the last couple of years.

Rosvalls are equally adamant that the RDF programme is important to their business.

Goldpine (post and pole manufacturer) is planning a new facility in Northland, just south of Whangarei. Currently Northland has one major company (Crofts Poles) producing posts and poles for the local market, so the investment by Goldpine will introduce a new processor, with an established business elsewhere in NZ, to Northland. The new facility is thought to process around 150,000 tonnes of log per year.

Juken NZ (JNL) operate an integrated mill just north of Kaitaia. It is a, sawmill, veneer mill and triboard mill. Its product is mostly exported to Japan for the parent company to use in housing construction.

This plant was recently expanded to take a total input of around 400,000 tonnes (from 180,000 tonnes pa) as this is the sustainable harvest level from the company's forests.

The plant was expanded to meet the increased woodflow from the forests, however JNL was still faced with the issue of what to do about the roading issues that it could see. The RDF has assisted in several cases directly (the fund has upgraded roads) and indirectly by allowing the Far North District Council (FNDC) to use their normal roading budget to cover some of the road upgrades required to allow JNL access their forests and supply logs to the mill.

Had the FNDC not had the RDF money, the situation facing JNL would potentially be very different. There would have been the risk of roading projects delayed due to lack of funds, so JNL would potentially have to fund them themselves or run a plant on a lower supply than intended.

Under that scenario, the JNL business loses through increased costs, by having to fund a public infrastructure or having to run a multi-million dollar plant at less than designed capacity.

In Northland the key issue for investment is having access to the forests and a roading infrastructure that allows efficient movement of equipment and logs. The port is not an issue because it has a new deep water facility with good access. Development at the port is likely to continue so that it can meet the needs of the region and grow its business.

The percentage of wood processed in Northland has changed from about 50% in 2004 to 81% in 2007. This has been the result of a slight reduction in estimated harvest levels and a substantial increase in domestic processing. There is now 1.8 million tonnes of logs processed in Northland and in 2008 it is expected to increase further to 2.1 million tonnes.

Stopping the fund before all the issues with the infrastructure have been resolved (particularly the bridge issue) runs the risk of processing investments worth hundreds of millions of dollars operating at reduced capacity because they can not get the log supply that was planned.

Details of the additional processing undertaken in Northland since the establishment of the RDF are attached as Appendix 5.

Tairawhiti Investment

It is a similar situation for JNL in Gisborne. It has also expanded on the back of the upgrading work and proposes to expand again subject to the roading, particularly the port access (Hirini Street), being completed.

The plant produces LVL (laminated veneer lumber) which was initially exported to Japan only but the increased production is being exported to other countries. LVL is a structural building material that is used in house construction and joinery.

The JNL plant has expanded from a base of 160,000 tonnes of logs processed three years ago, to 200,000 tonnes now, investing \$10 million. It plans to expand again to process 250,000 tonnes in three years time.

The receivership of Huaguang Forests Ltd was a major set back to the forestry industry with a loss of public confidence and major financial losses to many forestry contractors. Not only were contractors lost to the industry, but the resulting bitterness caused many others to avoid considering a career in forestry. Ernslaw One subsequently purchased the forests from the receiver and also purchased Prime Sawmills Ltd. They have subsequently moved to gradually increase production and intend to establish a major processing plant on the sawmill site.

Ernslaw One has already invested \$5 million in Prime Sawmills Ltd, which will increase the processing from 50,000 tonnes to 200,000 tonnes of logs. Within two years, Ernslaw One will be able to increase production from its forests to about 700,000 tonnes of logs per year.

The processing investment was significantly influenced by the operation of the RDF programme which was seen to ensure reliable access to the forests.

The investment by Hikurangi Forest Farms in a processing site at Gisborne is a similar situation. The company entered into an exchange of letters of intent between the Government and Gisborne DC in 2002 which said that they would build a processing plant subject to the roads and port being upgraded. This intention is still on-track and progress to date with the roading infrastructure has given the company sufficient confidence to proceed with the major purchase of 50 ha of industrial land near Gisborne recently (subject to OIC approval). (The remaining issue for the company is the upgrading of Hirini St. now on-track for completion in May 2008, i.e. in the current financial year)

The current intention is to have a new plant operating by 2009 with a series of staged developments taking the processing capacity to 700,000 tonnes of logs.

Should the fund be stopped before all the objectives have been achieved, Hikurangi Forest Farms have made it clear they would review the option to invest in any processing plant.

Pan Pac, a large forest products company that employs around 750 people and processes over 1 million tonnes of logs a year, has invested heavily in new processing infrastructure at Whirinaki near Napier over this period. Approximately \$52 million has been spent on capital works in the last 5 years. This includes installation of three new kilns, a second boiler, and an electricity generation plant and heat recovery works. Pan Pac's lumber production has increased 20% to close to 300,000 m³/yr. Export chip volume has increased about 50% from around 170,000t to 250,000t this year.

East Coast Lumber in Wairoa processing from about 2,000 to 30,000 tonnes of logs per year at a cost of \$2 million. The company intends to expand to about 80,000 tonnes over the next three to five years at a cost of about \$2 million.

Clyde Lumber in Wairoa has invested approximately \$2.5 million to increase processing from about 5,000 to 30,000 tonnes of logs per year and intends to expand to about 80,000 tonnes over the next three to five years at a cost of about \$3.5 million. The company has recently started the resource consent process for new \$3.5 million sawmill line to cut a wider range of logs (previously could only handle P1s and partial pruned).

East Coast Timber Processors Ltd is a joint venture established by East Coast Lumber and Clyde Lumber to provide wood-fired kiln drying for both sawmills. The dry mill will handle 30,000 cubic metres of sawn timber annually when fully commissioned in April 2008 and the capacity will be expanded up to 100,000 cubic metres per year as the production from the two mills increases.

Total employment in timber processing in Wairoa has increased from 10 to 60 since the RDF programme began and is expected to increase to 100 over the next five years.

The basis for this major investment was the expansion of harvesting operations in Mohaka Forest which is serviced by Willowflat and Putere Roads. There have been large increases in volume harvested using these roads. For example, since March 2003 Pan Pac's harvest from Mohaka has gone from 144,000 tonnes to currently 420,000 tonnes per year (13,500 truckloads per year). This is close to a 300% increase.

The link between the RDF and processing investment in Tairāwhiti could be considered to be more obvious than in Northland. The letters of intent between Hikurangi Forest Farms, Gisborne District Council and Government clearly signal intent to invest in processing provided the appropriate infrastructure is created. The access to the forests, the port and any port development is integral to the whole processing investment in Tairāwhiti as the companies operating are creating a product to be exported to their parent companies country. The whole process will not operate efficiently without the complete infrastructure in place, if only part of the job is done, everyone loses out.

The cost estimates done at that time were preliminary only and have been found to be too low when detailed designs were done. There has also been a high rate of escalation in construction costs nationally since the programme started.

7. Benefits of the programme.

Summary

1. Removed many critical infrastructure impediments to increased harvesting and processing.
2. Developed constructive working relationships with RCAs.
3. Better public image of industry due to less traffic conflict.
4. In spite of a major downturn in the forestry sector generally, expansion plans by processors are now in progress in both regions.
5. Economic benefits to both the region and central government.
6. Faster travel times on upgraded routes.

The industry has clearly received a benefit as a result of additional funding for roading. This has been noted in the LTNZ report (PM04/1140T) as being:

1. Removed a critical impediment to substantially increasing harvesting and processing;
2. Provide encouragement to the industry at a time when it is facing serious problems relating to shipping and exchange rates;
3. Facilitate the development of constructive working relationships between industry and councils.
4. Enhance arterial routes to adequately provide for future log harvesting needs.
5. Identify the previously overlooked issue of bridge overload capacity for heavy logging equipment

The regional economies benefit from:

6. Reduced unemployment in regions traditionally suffering in high unemployment.
7. Employment from both the expansion of processing and the service industries that support them.
8. A more diversified local economy that will cope better with market downturns in the large agricultural base.
9. A more robust forest industry that has domestic processing as its base with less volatility arising from the impact of changes in the log export market.

The benefits to central government¹¹ are:

10. Increased corporate tax revenue from increased business activity.
11. Additional income tax payments from higher wage levels and reduced unemployment.
12. Savings in unemployment benefits and other related social support costs.

¹¹ Tairawhiti Integrated Transportation Strategy Study – Part II Economic Justification for Road Improvement Works. Final Report. August 2001.

In addition the following benefits were further identified while sourcing information for this submission.

13. A better public image as a result of less heavy vehicle / light vehicle issues. This has been noted by the dramatic drop in reported incidents to both forest growers / managers and RCAs.
14. Faster cycle times by trucks on some routes.
15. Expansion plans in processing are now being implemented. This is due to the timely progress on roading which ensures that logs can continue to flow from forests.
16. Future increased employment opportunities as a result of increasing processing.
17. Reduced travelling time on nearly all upgraded routes for light vehicles.

Put in perspective, this small fund has managed to make a very significant improvement to development impediments that existing in both Tairāwhiti and Northland.

8. Programme for completion

Summary

1. The fund needs to be extended for at least three four years after 2007/08 to complete the roading network intended in the transport studies.
2. Bridges that are unable to carry over-weight loads are a serious issue to be evaluated and resolved.
3. Investigation work is underway or planned to determine the extent of the bridge issue.

The programme to complete the roading objective of the fund is set out in Appendix 3 and 4. This is planned as a four year programme (2007/2008 to 2010/2011) as there is still significant work.

The bridge issue is a serious one particularly as the full extent is still being investigated. The reason this has only recently come to light is because there is a lack of information available at the RCAs on the individual bridges. The passage of 40 years or more since most of them were built has resulted in plans degrading to the point they are either not readable or no longer exist. This seriously hampers RCA's ability work out which bridges have been built strong enough for overloads and which have not.

In Northland, to complete the work, \$46.7 million is required. In Tairāwhiti a further \$42.7 million is required. There may be some additional funds for bridge upgrade work over this time period.

9. Future Funding

Although not part of the "Scope and Framework" for the current Ministry of Transport Review of RDF, the issue of possible alternative funding mechanisms have been raised with industry from time to time.

There are several options for the future funding of essential road upgrades for forestry development in Northland and Tairāwhiti, as they will have to occur whether or not there is a RDF.

1. Maintain the status quo with RDF for the completion of the programme.
2. Combine RDF in to “normal funding activities”.
3. Bulk funding to a region and they manage the programme.
4. Regional excise tax on fuel to raise the money locally.
5. Direct investment by industry in specific roads

Maintaining the RDF is the only option that deals with all the issues effectively. It provides Northland and Tairāwhiti with an effective and assured way to complete the programme. The process is in place and working. There is no need to create a new process and spend time and effort making it work.

It is a short-term commitment to complete a programme that government accepted in 2002. Investments in processing in Tairāwhiti have been made or are planned to be made with the understanding that a programme of investing in infrastructure will be carried out.

Combining the fund into an existing fund such as the R fund still makes the funding available in theory, however it has two very serious problems. The national and regional funds require a local share and as pointed out in 2002, the RCAs are unable to increase the local share to access the extra funding. The B/C ratios required for projects under N and R funds are higher than under RDF. This would result in a number of projects being unable to access funding.

Bulk funding has been used by government in a number of areas. Given the relatively small size of the fund this could potentially be a process that could reduce the management overhead. A potential downside to this is the risk that more political interference could occur regionally if more autonomy is given to RCAs and the local agenda is not appropriately managed by a priority setting process.

A regional excise tax has been tried once and abandoned. It is now on the agenda again. It would put a significant overhead on fuel companies managing the process. It runs the risk of putting specific business on the regional border at risk of failing. There is a range of issues that would need to be worked through on collection of the tax, impact to businesses regionally and nationally and the issue of avoidance. The current changes in fuel price clearly demonstrate how it is a core cost in the local economy.

Expecting private investment to be put in to public infrastructure has several issues. Firstly the case of private industry paying for a public infrastructure when it has already paid the local taxes (rates) to cover the cost of the infrastructure. Why would private industry pay large sums of money (in the case of Northland and Tairāwhiti) for public roading when the general community benefits from the investment and the funder (private industry) has no control over the construction costs and standards, use, maintenance etc of the road.

Why invest money in the forest industry when there is the risk that you have to pay for public infrastructure? Unless an investor has an existing investment that they wish to protect, most investors would not contemplate new investment.

At present there is no other existing funding programme that could take the place the Regional Development Fund and allow the remaining projects to proceed. The Benefit/Cost ratio for most of the forestry related projects are between 1.0 and 4.0 and no other existing programme would fund projects with B/C ratios below 4.0.

The likely situation if the fund is stopped is that the upgrade work will be either very severely curtailed or stopped altogether. This would leave both regions with a partially completed infrastructure and no funding mechanism for completion.

The clear conclusion is that maintaining the status quo with RDF for the completion of the programme is the only practicable option that will achieve the intended outcome for the program as a whole.

10. Prioritisation of projects

Summary

1. In Northland the strategy adopted after the first year was to focus in general on the arterial routes that were defined as West Coast / Kohukohu / Mangamuka Road, Mangakahia and Pouto Roads. The deficiencies in these roads were recognised as the major impediment to the development of expanded harvesting and new, large-scale processing. Some feeder roads have been included on a case by case basis. This was a modification of the regional strategy that was agreed by industry, RCAs and Transfund.
2. Tairāwhiti the main arterial roads are state highways and the major impediment to expanded harvesting and processing was the deficiencies on the local feeder roads to the maturing forests.

In Northland the RCAs and industry have taken the general approach to use the majority of the fund to upgrade the arterial routes within their boundary and generally use their normal roading fund for the small feeder roads to the forest gate.

It needs to be noted that over and above the RDF programme, the Road Controlling Authorities in Northland (RCAs) are also doing a significant programme of work on local roads. This means that a number of feeder-type roads are being funded totally from the local council roading programme as the RDF programme in this region is concentrating on the arterial routes and major secondary roads.

In the Far North and Kaipara District Council areas specific secondary roads have also been upgraded where these are deemed appropriate under the priority setting process.

The arterial roads in each district are roads that form important routes for both forestry and industry in general. In the Far North District, West Coast / Kohukohu / Mangamuka Road is a sole access road used by forestry and farming on challenging unstable terrain. Following this the FNDC section of Mangakahia Road is the next arterial to get attention.

In Kaipara District, Pouto Road is an important road for all forms of transport (for a variety of land uses and other users) up and down the Pouto Peninsular as it is the sole access as well.

Whangarei District has concentrated on Mangakahia Road as this will carry millions of tonnes of logs over it over the next 15 or so years. It forms the strategic transport network through the centre of Northland for all industry including forestry.

This general approach particular by Whangarei District Council was noted in the Technical Review of Regional Development Projects 2002/03(Report No: PM02/1056T).



Map 2: Northland Arterial Routes



Map 3: Tairawhiti Secondary Roads.

In the Tairāwhiti region State Highways 2 and 35 along the coast form the arterial route to the south and north of Gisborne and is the only option basically.

For this reason, in Gisborne and Wairoa rather than having an obvious arterial route in each district that can be upgraded, a series of collector roads that lead to the state highways were identified as being important for upgrading.

The construction priorities were established over the region on the basis of the proximity of increased logging traffic. There is a completion/continuation issue relating to this. The biggest strategic impact for Tairāwhiti will be the new Hikurangi Forest Farms Ltd plant. However, as their large woodflows were two-four years away at the time the RDF programme commenced, a considerable number of roads serving other forest owners have been done first. If the RDF programme were terminated now, then it would severely disadvantage HFF and could well result in them deciding to postpone or cancel the new plant.

11. Industry Involvement.

Summary

1. The forest industry was fully involved in the initial studies but was excluded in the initial rush to implement the programme. This initial rush without industry input resulted in some inappropriate work being undertaken.
2. Industry involvement was re-established when the Industry NZ provide a co-ordinator to facilitate a more effective process.
3. Industry hold the information about the potential truck numbers, intensities and routes, all vital to the effective implementation of the programme.
4. Industry is able to help identify future issues such as bridge / culvert overload capacity.
5. Processors¹² almost always buy logs at “mill gate”, which means forest owners have to deliver the logs. This makes roading development primarily an issue for forest owners rather than processors.

Industry involvement occurred from the very start with input in to the respective studies carried out prior to the fund being created. It has continued with the regional co-ordination groups where in late 2002 the priority setting process was still being developed and embedded.

Industry involvement in the process increased significantly when the Industry NZ co-ordinator role was developed. This role provided some useful consistency between the two regions while everyone was getting use to the process and gave industry a single consistent voice in both regions and a link directly with Transfund (now LTNZ).

It helped to prevent projects that were not appropriate for the fund getting any further in the process. Prior to the role being established there were several projects¹³ that did not have

¹² Processors who do not own their own forest resource and purchase logs from forest owners.

¹³ Two examples were the Hokianga Bridge and Kaimaumuau Barging studies in Northland.

industry support but which either secured some funding or tried to access it. There were also projects where construction standards were excessive for the situation¹⁴.

It became clear during the feedback interviews that there was a universal recognition that the process and results to date would not have been possible had the forest industry (particularly the forest grower / manager) not been a stakeholder.

The reason is that they hold the information about the timing of harvest, the quantity and intensity. They were also in a position to provide logical opposition to any efforts to promote local parochial interests over the wider objectives of the programme.

In individual cases where forestry has been the primary user of a feeder road, there has been substantial input in to the design statement to produce a road that is fit for purpose and still provides a suitable level of service for the general public that occasionally use the road. LTNZ would not approve funding for a project unless industry signed-off on the required standards in the design statement. This informal process has not been followed recently for some projects in the Tairāwhiti region.

This input has been primarily on the unsealed roads and has tended to concentrate on ensuring that sight distance, pavement thickness and corner width have been priorities, rather than try to widen the entire length of road to a dual carriage width. There have been some examples where the initial design or initial construction was to a level considered too high, given that heavy trucks with radio communication were the predominant or sole user of the road.

In the first year it was a surprise to some RCA roading engineers to actually see the standard of road that was constructed inside a forest. Road widths were narrower than expected and alignments tighter. Forest owners put the emphasis on pavement thickness and generally construct a good single lane road and use radio communication, good sight distance with passing bays, and/or one-way routes if possible to prevent vehicles meeting head on.

The initial use of normal council geometric standards resulted in a number of projects in both Northland and Tairāwhiti being constructed to almost grotesquely excessive standards for the situations involved. This resulted in excess construction costs, excess environmental impact and on-going increased maintenance costs. It took nearly two years to recognise the problem and establish a process with Transfund that resulted in much more appropriate standards. This would not have happened without the direct collaboration between industry and Transfund which is a unique feature of this programme.

In Northland the use of radio communication has extended outside the forest to specific routes where school buses operate. There are specific cases where buses are fitted with two-way radios (at the forest owners expense) so if there happens to be a truck operating on the road at the same time as the school bus, both drivers have some warning and are able to communicate.

Often logging trucks are instructed to refrain from using narrow feeder roads when school buses are timetabled to avoid the potential for risk situation.

¹⁴ e.g. Puningā Road in Gisborne District and Spirits Bay Road in Far North District.

The use of all techniques available (appropriate road standards, signage, radios etc) are used to get the most economic solution for a given road and the industry involvement has managed to widen the knowledge on some of the techniques.

Harvest plans have changed over the last five years although in the end the magnitude of the change did not significantly alter the general plans for the RDF.

Processing mills buy logs at “mill door”. This means the forest grower transports the logs to the processor and pays for that cost. The important point here is apart from integrated processors like JNL (in both Gisborne and Far North) and Ernslaw One most processors don’t consider the transport issue of logs from the forest to the mill. For such processors it just happens and as long as the logs arrive as and when required they are quite happy. Generally the finished product leaves the mill and travels along the State Highway network to the next destination, the domestic market.

JNL, Hikurangi Forest Farms and Ernslaw One in Gisborne are exceptions to this as they require the Gisborne port to export and the roading infrastructure to it as an important part of their distribution to the market. Another example is PanPac which draws logs for its processing plant from its forests at Mohaka in the Tairāwhiti Region and exports products through the Napier port.

For this reason, the roading issue (as a whole, including bridges, culverts etc) is clearly one that interests the forest grower or the integrated grower/processor more than an independent processor.

12. Programme Issues.

The programme clearly has benefited the two regions. These benefits are:

1. Having a defined objective, to remove “road blocks” to regional development for an industry identified as having an issue.
2. Having the industry that is being assisted as a stakeholder in the process and involved in priority setting for projects.
3. The programme creating working relationships between the industry and RCAs.
4. Improvements to the infrastructure that the region otherwise would not achieve.

Historically there were some issues that have been noted in reports¹⁵ can be summarised as follows:

- Insufficient resource initially within roading contractors to get the programme done. In most cases the RDF programme is representing from 100% to 200% of an RCA’s normal budget for local road upgrading. So it is quite literally doubling the quantity of work that is being carried out in the regions. This has been largely solved.
- It was difficult for new contractors to start up and tender for contractors. Anecdotal evidence suggests that pressure within the roading contract industry prevented a new organisation from successfully getting established.

¹⁵ Neil, can you reference these reports? Presumably the Transfund Audits? Maybe just “ibid” them?

- There are times when the forest industry has felt that its view on the priorities of projects was not taken seriously. In the initial years this was more of a problem than now, but may still occur from time to time. There have been instances of RCAs having a priority view that could be construed as suiting their own agenda over and above that of the programme as a whole.
- The money is “free money” to RCAs. This has resulted in some cases of standards being considered excessive. This has been noted in the technical review and has been largely overcome in most cases.
- Acceptance that the forest industry can provide some useful input into standards. Trying to get RCAs to recognise that it was not always necessary to build an unsealed road to a seven metre width was not always an easy task.

There is no doubting that the programme has resulted in a paradigm shift in thinking and approach for some RCAs and potentially Transfund / Land Transport NZ. The concept that an industry with a specific need can drive a programme was foreign until 2002 when the Regional Development fund was created. The informal linkage between users (industry) and funders (LTNZ) has been beneficial in controlling the activities of the providers (RCAs). The lack of a formal or statutory role for industry has resulted in problems arising more recently in some areas.

13. Extension of the Programme to other regions.

No other region has been identified as having the same characteristics as Northland and Tairāwhiti. These characteristics are;

- I. Low socio-economic status and low population base resulting in low rate income for RCAs;
- II. Large increase in harvest from forests that have not been harvested previously;
- III. A roading (including bridges and associated structures) infrastructure that is not developed sufficiently to cope with the increase in heavy traffic, including overweight loads that occur when transporting large bulldozers, diggers and harvesting
- IV. In the case of Tairāwhiti, a port that requires further development to cope with the increased exports of processed product and logs.

Other regions definitely have issues that need addressing because there are cases of companies providing monetary assistance directly to RCAs to ensure the infrastructure the organisation requires is to a suitable standard.

These cases tend to be individual cases or a few in a given region, compared to multiple cases in Northland and Tairāwhiti where there is a need to upgrade the roading.

A check with Chas Perry (MAF Policy Analyst Marlborough/Nelson) confirms that the forest industry is contributing to the maintenance of specific roads in Marlborough, but the case is not the same as Northland or Tairāwhiti.

The Eastern Bay of Plenty (EBoP) is another area that is similar to Tairāwhiti, in that it has feeder roads heading out of the individual forests to the state highways, which then form the network to the market.

There is no doubt that specific roads in the EBoP will require upgrading significantly from their present state, however as noted above, the scale of the increases are minor compared to Northland and Tairāwhiti.

The key difference with the EBoP is that the tonnage of wood travelling down the feeder roads is relatively small compared to the Tairāwhiti case. In the EBoP, the scale is generally in the order of a single instance of 500,000 tonnes or 750,000 tonnes spread over a 5 to 10 year period. In Tairāwhiti many of the roads will have 10,000,000 tonnes per annum plus over a similar time frame. Also, the EBoP harvesting will have no impact on regional investment in processing or generate significant increases in employment.

In Northland in the early part of the next decade, the harvest levels will put close to 1,000,000 per annum on the Mangakahia Road, so the scale (in terms of heavy vehicle movements) becomes that much bigger again.

14. Conclusions.

The RDF has been instrumental in removing infrastructure bottleneck in Northland and Tairāwhiti which has encouraged further processing. There is a high probability that the target of having at least 60% of the regional log supply processed locally will be achieved. Both regions have significant investment being carried out in existing plants and there are plans for new processing investment in Tairāwhiti.

Given the size of the fund it is achieving good results. The original programmes are not complete and an additional four years from 2007/08 to 2010/11 are required to get the original programme completed. Completing associated bridge strengthening, an essential requirement not originally identified, may take a further two years.

The comment in the 2005 and 2006 NLTP that “it is expected that the high priority projects will be completed” is not correct.

There is no suitable option to continuing the programme to the full extent originally identified.

To not continue the programme runs the risk that future investment is delayed or shelved undermining the whole integrity of the original concept.

The goal of encouraging regional development is working and gathering momentum. This will result in more jobs, more money in the regional economies and more tax revenue for government, providing the return on the investment in the infrastructure. The benefits to government are estimated to be \$1.9 million per annum (2001 dollars) for every 300,000 of additional log processing¹⁶.

The government has a golden opportunity to ensure the completion of the programme and make a real and permanent difference to the socio-economic status of Northland and

¹⁶ Tairāwhiti Integrated Transportation Strategy Study – Part II Economic Justification for Road Improvement Works. Final Report. August 2001. Section 6.57, page 35

Tairāwhiti. The programme is on track and operating to budget and needs to be completed to get the full benefit of the investment to date and realise the government's goal of regional growth.

15. References.

1. Northland Integrated Transport Study March 2002
2. Tairāwhiti Regional Development Plan June 2001
3. Transfund New Zealand Technical Review of Regional Development Rooding Projects 2002/03 (Report No: PM02/1056T)
4. Land Transport New Zealand Review of Progress Implementing Regional Development Rooding Report of November 2003
5. East Cape Forestry Transport Study, Opus International Consultants May 2000.
6. Inwood Magazine Issue 70 August / September 2006.
7. National Land Transport Programme 2005/06 Land Transport NZ
8. National Land Transport Programme 2006/07 Land Transport NZ
9. NEFD National and Regional Wood Supply Forecasts 2000, Ministry of Agriculture and Forestry
10. Northland (And Rodney) Forest Industries Strategy February 2004 (Unpublished) Enterprise Northland

Appendix 1 Copy of the Ministerial Directive

labelled memo
Notice paper
16/10/02
T 394

Transit New Zealand Act 1989 Ministerial Direction to Transfund New Zealand: Regional Development

Pursuant to section 3F of the Transit New Zealand Act 1989, and in accordance with the government's regional development land transport policy, I direct Transfund New Zealand to increase the financial assistance rate to 100% for the following councils for the roads and alternatives to roads projects that are eligible for, and are funded from, the National Roads Account Output: Regional Development Capital and Output: Regional Development Maintenance:

- Far North District Council
- Kaipara District Council
- Whangarei District Council
- Northland Regional Council
- Gisborne District Council
- Waikato District Council

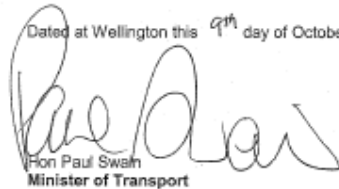
Background

1. On 28 February 2002, the government agreed to the allocation of \$30 million through the National Land Transport Fund, over a 18 month period, for regional development (roading and alternatives to roading). The government decided that its regional development priority is to assist local authorities (and other public bodies) to meet specific needs where regional development and alternatives to roads are constrained by inadequate investment. The government has also agreed that regional development investment will be focused on areas of acute need such as East Cape and Northland.

2. The councils from Northland and East Cape have informed the government that they cannot fund their contribution for roads and alternatives to roads aimed at regional development.

3. This direction recognises both the decisions in (1) above and the Northland and East Cape councils' financial situations outlined in (2) above. The government also agreed that, while this direction requires Transfund New Zealand to provide 100% funding for regional development roads and alternatives to roading for the named councils, those councils' overall contributions to land transport investment is to be maintained.

Dated at Wellington this 9th day of October 2002.



Hon Paul Swain
Minister of Transport



Appendix 2 Planned and Actual Costs

Actual costs versus planned costs for projects from the start of the Regional Development Fund.

Expenditure in Tairāwhiti by Road Controlling Authority.

Organisation	Work Category	Initial Estimate	Total Expenditure	Cost increase / saving	Standard	Length (metres)	10 yr \$/tonne km	
Gisborne	Tarndale Road Deviation	\$ 1,400,000	\$ 1,733,000	333,000	5.0m metal	10,100	\$1.66	
Gisborne	Airstrip Road	\$ 3,100,000	\$ 3,550,000	450,000	See comments	14,100	\$1.18	Compl
Gisborne	Armstrong Road Stage 1	\$ 900,000	\$ 800,000	-100,000	7.0 m sealed	1,300		
Gisborne	Armstrong Road Stage 2	\$ 865,000	\$ 760,000		7.0 m sealed	1,375	\$0.19	
Gisborne	Tauwharepare Road Stage 1	\$ 378,000	\$ 341,000	-37,000	7.0 m sealed	1,700	\$0.12	
Gisborne	Tauwharepare Road Stage 3	\$ 260,000	\$ 400,000	140,000	7.0 m sealed	1,100	\$0.15	
Gisborne	Tauwharepare Road Stage 4	\$ 910,000	\$ 1,012,600	102,600	7.0 m sealed	3,090	\$0.27	
Gisborne	Tauwharepare Road 8.8 to 10.66	\$ 480,000	\$ 374,000	-106,000	7.0 m sealed	1,860	\$0.09	
Gisborne	Tauwharepare Road 13.6 to 14.9	\$ 500,000	\$ 465,300	-34,700	7.0 m sealed	1,500	\$0.14	
Gisborne	Tauwharepare Road 16.4 to 17.2	\$ 250,000	\$ 207,900	-42,100	7.0 m sealed	800	\$0.11	
Gisborne	Tauwharepare Road 17.3 to 17.8	\$ 220,000	\$ 215,500	-4,500	7.0 m sealed	500	\$0.40	
Gisborne	Waiau Road	\$ 1,100,000	\$ 1,000,000	-100,000	3.0-4.5 metal	5,670	\$0.43	
Gisborne	Tuahu Rd	\$ 840,000	\$ 1,046,000	206,000	5.0 unsealed	3,400	\$0.92	
Gisborne	Huanui Rd	\$ 310,000	\$ 675,500	365,500	5.0 unsealed	2,700	\$0.11	
Gisborne	Fernside Stage 1	\$ 1,175,000	\$ 1,251,500	76,500	4.5 metal	6,100	\$0.27	
Gisborne	Mata Road Stage 1	\$ 2,200,000	\$ 2,400,000	200,000	5.0 metal	11,600	\$0.63	
Gisborne	Mata Road Stage 2	\$ 1,700,000			4.5-5.0m metal	7,800	\$0.11	
Gisborne	Arakihi and West Ho	\$ 1,380,000	\$ 1,901,000	521,000	3.0-5.0 metal	6,000	\$6.11	
Gisborne	Puninga	\$ 500,000	\$ 514,000	14,000	5.0 unsealed	2,300	\$0.79	
Gisborne	Waimata Valley School	\$ 210,000	\$ 183,300	-26,700	7.0 m sealed	370	\$0.23	
Gisborne	Paroa Road Stage 1				7.0 m sealed			
Gisborne	Hokoroa	\$ 770,000	\$ 1,006,700	236,700	5.0 unsealed	3,270	\$0.30	unc
Gisborne	Waimata Valley Stage 1	\$ 2,160,000	\$ 1,796,700	-363,300	5.0 metal	13,900	\$0.14	unc
Gisborne	Waimata Valley Stage 2	\$ 1,480,000			See comments	15,200	\$0.05	In progr
Gisborne	Bridge overload capacity checks	\$ 200,000			n/a	n/a	n/a	unc
			\$21,634,000	\$1,831,000		115,735		
Wairoa	Willowflat Road		\$ 5,060,000		7.0 m sealed	18,100		
Wairoa	Tunanui Road		\$ 1,200,000		6.0 metal	7,100		
Wairoa	Putere Road		\$ 2,400,000		6m-7m sealed	16,400		
Wairoa	Bridge overload capacity checks		\$ 50,000					unc
Wairoa	Mangaone Valley Road		\$ 390,000		5m-6m metal	9,000		
Wairoa	Hunt Road		\$ 350,000		5m-6m metal	5,000		
Wairoa	Willowflat Road 18.1-24.1		\$ 540,000		5m-6m metal	4,000		
Wairoa	Mokonui Road		\$ 80,000		5m metal	5,000		
Wairoa	Pukeorapa		\$ 250,000		5m-6m metal	5,000		
Wairoa	Woodlands		\$ 50,000		5m metal	4,200		
			\$ 10,370,000			73,800		

Expenditure in Northland by Road Controlling Authority.

Organisation	Activity Name	Initial Estimate	Total Expenditure	Cost increase / saving	Standard	Length (me)	
Far North District Council	Hokianga Harbour Bridge Stg 3	\$ -	\$ 300,000	300,000			
	Gammon Rd	\$ 709,000	\$ 730,954	21,954	5m metal	5,700	
	Giles Rd	\$ 249,000	\$ 255,000	6,000	5m metal	2,400	
	Horeke Rd	\$ 218,000	\$ 167,213	-50,787		1,700	
	Iwिताua Rd Stg 1	\$ 1,207,216	\$ 779,344	-427,872	5m metal	7,100	
	Kauapepe Rd	\$ 277,000	\$ 293,816	16,816	5m metal	2,200	
	Makene Rd	\$ 209,000	\$ 234,752	25,752	5m metal	1,670	
	Te Hapua/Spirits Bay	\$ 694,693	\$ 535,000	-159,693	7m metal / part seal	5,500	
	Kohukohu Rd Stg 1	\$ 564,000	\$ 960,021	396,021	7m seal	1,300	
	Taheke Rd	\$ 1,092,000	\$ 1,878,642	786,642	7m seal	3,076	
	West Coast Rd Stg 1	\$ 1,987,000	\$ 3,362,000	1,375,000	7m seal	7,500	
	Ngapipito Rd (West)	\$ 200,000	\$ 162,000	-38,000	Seal extension 7m	500	
	Taheke Rd		\$ 700,000	700,000	Seal extension 7m	?	
	West Coast Rd 03/04		\$ 3,505,145		7m seal	12,000	
	Lovatt Rd	\$ 449,000	\$ 67,100	-381,900	Investigation only	0	
	Te Hapua/Spirits Bay 03/04	\$ 597,307	\$ 460,000	-137,307	7m metal / part seal	5,500	
	Regional Development Fees 03/04		\$ 149,000				
	Matawera Rd	\$ 500,000	\$ 549,029	49,029		?	
	Taheke Rd - Giles Rd 04/05	\$ 170,000	\$ 100,000	-70,000	5m metal	1,308	
	West Coast Rd Proj 1 04/05	\$ 852,000	\$ 852,000	0	7m seal	550	
	Iwिताua Rd Stg 2 03/04	\$ 937,784	\$ 600,000	-337,784	5m seal	6,600	
	Regional Development Fees 05/06		\$ 200,000				
	Rangiahua Rd - P1 - 05/06	\$ 607,500	\$ 608,000	500	7m seal	1,350	
	West Coast Rd - Project 4 - 05/06	\$ 1,091,800	\$ 1,092,000	200	7m seal	2,060	
	West Coast Rd - Project 5 - 05/06	\$ 572,400	\$ 572,000	-400	7m seal	1,080	
	Kohukohu Rd Proj 3 04/05	\$ 600,000	\$ 572,362	-27,638	7m seal	1,000	
	West Coast Rd Proj 2 04/05	\$ 345,000	\$ 290,114	-54,886	7m seal	?	
	West Coast Rd Proj 3 04/05	\$ 2,323,000	\$ 2,236,026	-86,974	7m seal	?	
	Omahuta Rd 04/05	\$ 325,000	\$ 522,025	197,025		?	
	West Coast Rd - Project 1 - 05/06	\$ 1,685,000	\$ 1,254,792	-430,208	7m seal	?	
	West Coast Rd - Project 3 - 05/06	\$ 374,000	\$ 371,138	-2,862	7m seal	350	
	sub-total			\$ 24,359,473	\$ 1,668,628		
	Kaipara District Council	Pouto Rd Unsealed Strengthening	\$ 800,000	\$ 700,000	-100,000	7m seal	10,000
Ari Ari Rd		\$ 370,000	\$ 370,000	0	5m metal	3,000	
Tangowahine Valley Rd North 03/04		\$ 1,410,000	\$ 1,000,000	-410,000	5m metal	10,000	
Regional Development Fees 03/04			\$ 198,476				
Pouto Rd Sth - Milich 04/05		\$ 200,000	\$ 181,020	-18,980	7m seal	700	
Pouto Rd Sth - Shines 04/05		\$ 420,000	\$ 419,892	-108	7m seal	1,500	
Pouto Rd Sth - Black 04/05		\$ 200,000	\$ 116,480	-83,520	7m seal	600	
Pouto Rd Sealed Strengthening		\$ 2,000,000	\$ 3,943,793	1,943,793	7m seal	?	
Pouto Rd North - Harding Flat		\$ 450,000	\$ 289,744	-160,256	7m seal	1,500	
Pouto Rd North - Schick/Maxwell		\$ 380,000	\$ 313,883	-66,117	7m seal	1,300	
Pouto Rd South - Turkey Flat		\$ 450,000	\$ 345,305	-104,695	7m seal	1,400	
sub-total				\$ 7,178,593	\$ 1,100,117		

Northland continued

Organisation	Activity Name	Initial Estimate	Total Expenditure	Cost increase / saving	Standard	Length (me)
Whangarei District Council	Mangakahia Proj 1 (W)	\$ 290,000	\$ 470,000	180,000	7m seal	800
	Otaika Valley Rd Proj (1)		\$ 68,828			
	Mangakahia Proj 2 (W)	\$ 300,000	\$ 264,368	-35,632	7m seal	800
	Mangakahia Proj 3 (W)	\$ 1,230,000	\$ 1,664,094	434,094	7m seal	3,500
	Mangakahia Proj 4 (W)	\$ 990,000	\$ 1,335,720	345,720	7m seal	2,800
	McGills Rd Upgrade (Marasumi)		\$ 413,569			
	Otaika Valley Rd Proj 1 03/04	\$ 1,330,000	\$ 1,981,764	651,764	7m seal	4,500
	Mangakahia Rd 03/04	\$ 2,460,000	\$ 1,172,379	-1,287,621	7m seal	7,900
	Otaika Valley Rd Proj 2 03/04	\$ 871,000	\$ 960,231	89,231	7m seal	2,594
	Karaka Rd Widening & Strengthening	\$ 1,420,000	\$ 1,300,000	-120,000	7m metal	6,566
	Regional Development Fees 03/04		\$ 128,845			
	McCardle Rd - Unsealed	\$ 1,580,000	\$ 967,200	-612,800	7m metal	9,600
	Opouteke Rd - Proj 1 Sealed	\$ 220,000	\$ 268,473	48,473	7m seal	600
	Mangakahia Proj 04/05	\$ 1,000,000	\$ 2,028,179	1,028,179	7m seal	11,000
	Mangakahia Rd 1 : Otairo	\$ 1,000,000	\$ 929,357	-70,643		2,125
	Mangakahia Rd 2 : Ruddles	\$ 1,000,000	\$ 802,683	-197,317		1,400
	Otaika Valley Rd Stg 3	\$ 400,000	\$ 210,306	-189,694		?
	Pipiwai Rd P2	\$ 805,000	\$ 500,000	-305,000	7m seal	3,500
	sub-total			\$ 15,465,996	-41,246	
Northland Total			\$ 47,004,062			

Appendix 3 Northland provisional programme 2007/11

Indicative Northland Regional Development Programme 07_08 to 10_11														
Road Controlling Authority	Year	Priority	Road		Treatment Type	Length m.	Estimated Upgrade Cost (\$ 05_06)	Estimated Upgrade Cost (\$ 06_07)	Estimated Yearly Upgrade Cost (\$ 08_07)	Harvest Volume m3 (CF=1.0)		Calculation Period yrs	\$/tonne.km for calculation period	
		Ranking	Name	Category			1.07		Excluding highlighted amounts	Year 1 (06/07 unless noted)	5 Yr (incl Yr 1)			
FNDC	07_08	1	Bridges - investigation, design & rehabilitation of 5 bridges	Arterial				1,000,000						Require upgrading to handle. Extent of rehabilitation to be confirmed with more extensive investigation.
FNDC	07_08	1	Kohukohu Road	Arterial	Sealed AWPT	1470	1,115,500	1,193,585		154,000	571,000	5	1.4	Thru town from 04/05 AW/P \$160k allowed for 2 slips just Marriner Rd (RP14457). Carriageway distressed.
FNDC	07_08	1	Mangakahia Road	Arterial	Sealed AWPT	2475	1,438,500	1,539,195		122,300	586,600	5	1.1	Road deteriorating rapidly
FNDC	07_08	1	Mangamuka Road	Arterial	Sealed AWPT	1280	832,000	890,240		160,000	676,912	5	1.0	Carriageway distressed
FNDC	07_08	4	Otiria Road	Collector	Sealed AWPT	1681	756,450	809,402		3,500	549,500	5	0.9	logs from Ngapipito + Poka Road distressed.
FNDC	07_08	3	Rangiahua Road	Collector	Sealed AWPT	800	240,000	256,800		60,000	334,075	5	1.0	Carriageway failure
FNDC	07_08	3	Rangiahua Road	Collector	Sealed AWPT	490	147,000	157,290		60,000	334,075	5	1.0	Carriageway failure
FNDC	07_08	2	West Coast Road	Collector	Sealed AWPT	1480	1,074,000	1,149,180	4,802,107	50,000	250,000	5	3.1	Slips and carriageway distress
KDC	07_08	4	Pouto Road Nth	Arterial	Sealed AWPT	700	190,000	203,300		95,500	563,950	5	0.5	Overlay to remove unsafe rutting.Minor widening.
KDC	07_08	4	Pouto Road Nth	Arterial	Sealed AWPT	320	115,000	123,050		95,500	563,950	5	0.6	Overlay to remove unsafe rutting.Minor widening.
KDC	07_08	3	Pouto Road Sth	Arterial	Sealed AWPT	390	120,000	128,400		95,500	563,950	5	0.6	Completing a narrow section pavement at the south end of Kopuru between 03/04 and projects
KDC	07_08	2	Pouto Road Sth	Arterial	Sealed AWPT	680	200,000	214,000		95,500	563,950	5	0.6	Reconstruction to remove rut and minor shallow shear in wheel path. Widening of underwidth carriageway
KDC	07_08	2	Pouto Road Sth	Arterial	Sealed AWPT	900	270,000	288,900		95,500	563,950	5	0.6	Reconstruction to remove rut and minor shallow shear in wheel path. Widening of underwidth carriageway
KDC	07_08	1	Pouto Road Sth	Arterial	Sealed AWPT	1840	550,000	588,500		95,500	563,950	5	0.6	Reconstruction to remove rut and minor shallow shear in wheel path. Widening of underwidth carriageway
KDC	07_08	1	Pouto Road Sth	Arterial	Sealed AWPT	900	270,000	288,900		95,500	563,950	5	0.6	Reconstruction to remove rut and minor shallow shear in wheel path. Widening of underwidth carriageway
KDC	07_08	1	Pouto Road Sth	Arterial	Sealed AWPT	1200	360,000	385,200	2,220,250	95,500	563,950	5	0.6	Reconstruction to remove rut and minor shallow shear in wheel path. Widening of underwidth carriageway
WDC	07_08	1	Piipiwai Road	Arterial	Sealed AWPT	3600	900,000	1,600,000		92,000	314,920	5	1.4	Road distressed
WDC	07_08	1	Mangakahia Rd	Arterial	Sealed AWPT	2260	1,130,000	1,100,000		174,800	1,330,700	5	0.4	Includes woodflow from Kar Road distressed
WDC	07_08	1	Mangakahia Rd	Arterial	Sealed AWPT	1035		517,500		174,800	1,330,700	5	0.4	Includes woodflow from Kar Road distressed
WDC	07_08	1	Mangakahia Rd	Arterial	Sealed AWPT	2000		1,000,000		266,800	1,663,620	5	0.3	Widening, strengthening, straightening over 2km hill s east of McCordle Rd interse improve for log truck use.
WDC	07_08	1	Mangakahia Rd	Arterial	Sealed AWPT	1480		740,000	4,957,500	122,300	603,700	5	0.8	Nth of Opoteke Rd. Road distressed.
FNDC,KDC,WDC	07_08		Advance investigation & design				600,000	642,000	642,000					
	TOTAL							14,815,442	12,621,857					

Northland provisional programme 2008/09

Road Controlling Authority	Year	Priority		Road		Treatment Type	Length m.	Estimated Upgrade Cost (\$ 07_08)	Estimated Yearly Upgrade Cost (\$ 07_08)	Estimated Yearly Upgrade Cost (\$ 07_08)	Harvest Volume m3 (CF=1.0)		Calculator Period yrs		
		Ranking	Type	Name	Category						All roads	Excluding highlighted amounts		Year 1	4 Yr (incl Yr 1)
														(07/08 unless noted)	
FNDC	08_09	1	Priority	Bridges - investigation, design & rehabilitation	Arterial/Collector/Forest Access			686,940							
FNDC	08_09	1	Priority	Mangakahia Road	Arterial	Sealed AWPT	754	474,790			122,300	586,600	4		
FNDC	08_09	1	Priority	Mangakahia Road	Arterial	Sealed AWPT	2270	1,429,408			122,300	586,600	4		
FNDC	08_09	1	Priority	Mangakahia Road	Arterial	Sealed AWPT	661	416,228			122,300	586,600	4		
FNDC	08_09	1	Priority	Mangamuka Road	Arterial	Sealed AWPT	1500	1,116,278			160,000	676,912	4		
FNDC	08_10	2	Added	Otiria Road	Collector	Sealed AWPT	1681	866,060			3,500	549,500	4		
FNDC	08_09	2	Added	Pipiwai Road	Local	Unsealed AWPT	2198	377,474			30,000	88,160	4		
FNDC	08_09	3	Added	Pupuke-Mangapa Road	Local	Unsealed AWPT	2813	483,091			30,000	120,000	4		
FNDC	08_09	3	Added	Pupuke-Mangapa Road	Local	Unsealed AWPT	3622	622,024			30,000	120,000	4		
FNDC	08_09	2	Added	Purerua Road	Local	Sealed AWPT	780	446,511			41,500	201,500	4		
FNDC	08_09	2	Added	Purerua Road	Local	Sealed AWPT	580	332,021			40,000	200,000	4		
FNDC	08_09	2	Added	Purerua Road	Local	Sealed AWPT	860	492,307			40,000	200,000	4		
FNDC	08_09	1	Added	Rangiahua Road	Collector	Sealed AWPT	880	302,254	8,045,386	6,562,797	60,000	274,075	4		
KDC	08_09	1	Priority	Pouto Road Sth	Arterial	Sealed AWPT	1600	549,552			95,500	434,350	4		
KDC	08_09	1	Priority	Pouto Road Sth	Arterial	Sealed AWPT	1926	664,042			95,500	434,350	4		
KDC	08_09	1	Added	Trounson Park Road	Arterial	Sealed AWPT	500	171,735			0	132,500	4		
KDC	08_09	1	Added	Tinopai Road	Collector	Sealed AWPT	2350	812,879	2,198,208	2,198,208	10,000	132,000	4		
WDC	08_09	1	Priority	Bridges - investigation, design & rehabilitation	Arterial/Collector/Forest Access			686,940							
WDC	08_09	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	1400	1,282,288			122,300	603,700	4		
WDC	08_10	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	2662	1,709,004			26600	1663620	4		
WDC	08_09	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	831	570,847			174,800	1,330,700	4		
WDC	08_09	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	1500	1,030,410	5,279,489	5,279,489	266,800	1,663,620	5		
FNDC,KDC,WDC	08_09		Priority	Advance investigation & design				686,940	686,940	686,940					
	80_09														
	TOTAL								16,210,023	14,727,434					

Northland provisional programme 2009/10 and 2010/11

Road Controlling Authority	Year	Priority		Road		Treatment Type	Length m.	Estimated Upgrade Cost (\$ 07_08)	Estimated Yearly Upgrade Cost (\$ 07_08)	Estimated Yearly Upgrade Cost (\$ 07_08)	Harvest Volume m3 (CF=1.0)		Calculator Period yrs
		Ranking	Type	Name	Category						All roads	Excluding highlighted amounts	
FNDC	09 10	1	Priority	Bridges - investigation, design & rehabilitation	Arterial/Collector/Forest Access			686,940					
FNDC	09 10	4	Added	Gammon Road to Mataraua Road link	tba	New Unsealed Road	8000	2,289,800					
FNDC	09 10	3	Added	Kaka Road	Local	Unsealed AWPT	2066	354,805			0	33,500	4
FNDC	09 10	1	Priority	Kohukohu Road	Arterial	Sealed AWPT	430	320,000			154,000	571,000	4
FNDC	09 10	1	Priority	Mangamuka Road	Arterial	Sealed AWPT	780	580,484			160,000	622,112	4
FNDC	09 10	3	Added	Ngapipito Road	Collector	Unsealed AWPT	5000	858,675			3,500	94,500	4
FNDC	09 10	3	Added	Ngapipito Road	Collector	Unsealed AWPT	2567	440,844			3,500	447,000	4
FNDC	09 10	1	Added	Ngapipito Road	Collector	Sealed AWPT	5595	2,882,572			3,500	516,000	4
FNDC	09 10	3	Added	Picadilly Road	Local	Unsealed AWPT	5315	912,772			0	10,000	4
FNDC	09 10	2	Added	Purerua Road	Local	Sealed AWPT	1400	801,430			40,000	200,000	4
FNDC	09 10	3	Added	Tarakahi Road/SH1 intersection		intersection construction	0	185,474	10,313,776	5,271,406	3,500	151,500	4
KDC	09 10	1	Priority	Bridges - investigation, design & rehabilitation	Arterial/Collector/Forest Access			572,450					
KDC	09 10	1	Added	Tinopai Road	Collector	Sealed AWPT	4930	1,694,452			10,000	132,000	4
KDC	09 10	1	Added	Tinopai Road	Collector	Sealed AWPT	2288	789,981	3,056,883	3,056,883	10,000	132,000	4
WDC	09 10	1	Priority	Bridges - investigation, design & rehabilitation	Arterial/Collector/Forest Access			1,144,900					
WDC	09 10	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	1400	961,716			122,300	603,700	4
WDC	09 10	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	735	504,901			174,800	1,330,700	4
WDC	09 10	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	1608	1,472,799			122,300	603,700	4
WDC	09 10	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	600	412,164	4,496,480	4,496,480	266,800	1,663,620	4
FNDC,KDC,WDC	09 10		Priority	Advance investigation & design				686,940	686,940	686,940			
	09 10		TOTAL						18,554,079	13,511,709			
FNDC	10 11	1	Priority	Mangamuka Road	Arterial	Sealed AWPT	1020	759,069			160,000	676,912	4
FNDC	10 11	3	Added	Matawaia-Maromaku Rd	Collector	Unsealed AWPT	2566	734,453			3,005	7,447	4
FNDC	10 11	3	Added	Pipiwai Road	Local	Unsealed AWPT	9152	2,619,531			0	15,660	4
FNDC	10 11	1	Added	Pokapu Road	Collector	Sealed AWPT	6981	4,395,901	8,508,954	759,069	0	33,500	4
KDC	10 11	1	Priority	Tinopai Road	Collector	Sealed AWPT	5500	1,831,840			10,000	132,000	4
KDC	10 11	1	Priority	Tinopai Road	Collector	Sealed AWPT	2292	789,981	2,621,821	2,621,821	10,000	132,000	4
WDC	10 11	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	4000	2,747,760			149,500	1,466,300	4
WDC	10 11	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	800	412,164			149,500	1,466,300	4
WDC	10 11	1	Priority	Mangakahia Rd	Arterial	Sealed AWPT	895	614,811	3,774,735	3,774,735	149,500	1,466,300	4
FNDC,KDC,WDC	10 11		Priority	Advance investigation & design				228,980	228,980	228,980			
	10 11		TOTAL						15,134,490	7,384,605			

Appendix 4 Tairawhiti provisional programme 2008/11

Colour codes Project listed in 2002 as an "Absolute" priority

Project subsequently added to the programme

Road Controlling Authority	Rank	Road	Proposed jobs	
			Length km.	Estimated Cost
GDC	i (a)	Airstrip Road: Tarndale to HQ (now Te Wereroa Road)	3.3	\$700,000
GDC	i (a)	Waimata: Duncan to Back Ormond Rd	25.7	\$6,700,000
GDC	i (b)	Tarewa/Tokonui Rd Improvements: Forest to SH 2	7.6	\$1,780,000
GDC	i (a)	Armstrong Road	0.7	\$150,000
GDC	i (c)	Kokomuka Road	1.3	\$150,000
GDC	i (c)	Tapuaeroa Road	21.0	\$800,000
GDC	i (b)	Arakihi Road (West Ho Road also)	3.7	\$1,100,000
GDC	i (a)	Tauwhareparae Road: Top to Arikahi	10.7	\$3,200,000
GDC	i (a)	Tauwhareparae Road: Arikahi to Paeroa	1.7	\$500,000
GDC	i (a)	Tauwhareparae Road: Paeroa to SH 35	5.4	\$1,600,000
GDC	i (a)	Tauwhareparae Road: Tuahu to Top	4.2	\$750,000
GDC	i (a)	Maungatokerau Road: Forest to Paroa	4.8	\$900,000
GDC	i (b)	Mangatu Road: Armstrong to Whatatutu	11.9	\$3,570,000
GDC	i (b)	Whatatutu Road: Mangatu to SH 2	11.6	\$3,400,000
GDC	i (a)	Fernside Road: Forest to SH 35 (project includes Mata Road)	5.0	\$850,000
GDC	i (c)	Ihungia Road: Forest to SH 35 (project includes Waitahaia Rd)	1.7	\$270,000
GDC	i (a)	Manders Road: Forest to Waimata	4.6	\$1,800,000
GDC	i (b)	Matairau Road: Forest to SH 35	0.9	\$200,000
GDC	i (a)	Paroa Road South: Forest to Tauwhareparae	1.0	\$300,000
GDC	i (a)	Paritu Road: Forest to SH 2	0.5	\$35,000
GDC	3	Intersections	n/a	\$200,000
GDC	2	Harper Rd Upgrading: Back Ormond Rd to SH 2	2.9	\$900,000
GDC	l (c)	Tuakau Road: Forest to SH 35	8.6	\$1,450,000
GDC	l (b)	Tuahu Road: Forest to Tauwhareparae	0.6	\$100,000
GDC	i (a)	Glenroy: Forest to SH 35	3.1	\$990,000
GDC	i (b)	Riverside Rd Upgrading: Forest to Gisborne	7.8	\$2,200,000
GDC	i (a)	Bridge strengthening		\$1,000,000
GDC	i (c)	East Cape Rd/Dewes Rd Upgrading	14.8	\$2,950,000
GDC	i (a)	Tutumoe Road (off Tauwhareparae Rd)	3.7	\$665,000
GDC	i (a)	Aero Road	0.4	\$50,000
GDC	i (a)	Bridge capacity assessment	n/a	\$220,000
WDC	1(b)	Patunamu/Ruapapa Road	7.0	\$450,000
WDC	2	Kokohu Rd	0.3	\$40,000
WDC	i (b)	Waiatai Valley	8.1	\$700,000
WDC	i (b)	Kumi	1.6	\$150,000
WDC	i (b)	Maraenui	4.0	\$200,000
WDC	3	Willowflat Rd/SH 2 Intersection	n/a	\$600,000
WDC	1(b)	Preston Road/Titirangi Road	8.6	\$305,000
WDC	1(b)	Cricklewood Road	7.0	\$600,000
WDC	1(b)	Riverina Road	1.5	\$150,000
			207.30	\$42,675,000

Appendix 5 Additional processing in Northland

Mill capacity									
Log Type	Mill Name	Total log intake		Total log intake		Total log intake		Total log intake	
		2004	2007	04-07 incr	04-07 incr	2008	07-08 incr	07-08 incr	
Structural	CHH Future Build - (CLVL)	160,000	220,000	60,000	38%	255,000	35,000	16%	
Structural	Northpine Ltd	20,000	26,000	6,000	30%	40,000	14,000	54%	
Structural	Tanner Sawmills Ltd	42,000	0	-42,000		0			
Structural	TDC Sawmills Ltd	200,000	440,000	240,000	120%	540,000	100,000	23%	
Structural	Pole Distributors Ltd t/a Croft Timber Co Ltd	25,000	30,000	5,000	20%	30,000	0	0%	
Structural	G & O Cashmore Ltd	0	20,000	20,000		20,000	0	0%	
Structural	Rosvall Sawmill Ltd	10,000	7,000	-3,000	-30%	7,000	0	0%	
Structural	Herman Timber Ltd	8,000	8,000	0	0%	8,000	0	0%	
Structural	Bay Lumber Limited	3,000	20,000	17,000	567%	25,000	5,000	25%	
Structural	Beams & Timber Direct Ltd	0	3,500	3,500		3,500	0	0%	
Structural	Collins Bros Sawmill	8,000	9,000	1,000	13%	9,000	0	0%	
Structural	JNL Kaitaia -Ply mill	300,000	300,000	0	0%	300,000	0	0%	
Structural	JNL Kaitaia -Sawmill	30,000	30,000	0	0%	30,000	0	0%	
Structural	Sheppards Sawmill Ltd	30,000	30,000	0		30,000	0	0%	
Structural	Kaihu Valley Sawmills Ltd	15,000	20,000	5,000	33%	27,000	7,000	35%	
Structural	CBM Sawmills	0	15,000	15,000		15,000	0	0%	
	Structural Total	851,000	1,178,500	327,500	38%	1,339,500	161,000	14%	
Industrial	Mt Pokaka Timber Products Ltd	53,000	80,000	27,000	51%	100,000	20,000	25%	
Industrial	Grand Pine Enterprises NZ Ltd	20,000	23,000	3,000	15%	23,000	0	0%	
Industrial	NZ Green Pine Limited	0	13,000	13,000		13,000	0	0%	
Industrial	Pole Distributors Ltd t/a Croft Timber Co Ltd	15,000	18,000	3,000	20%	18,000	0	0%	
Industrial	Goldpine								
	Industrial Total	88,000	134,000	46,000	52%	154,000	20,000	15%	
Pruned	Rosvall Sawmill Ltd	40,000	50,000	10,000	25%	50,000	0	0%	
Pruned	TDC Sawmills Ltd	0	8,000	8,000		8,000	0	0%	
Pruned	Northpine Ltd	0	7,500	7,500		7,500	0	0%	
Pruned	Herman Timber Ltd	0	2,000	2,000		2,000	0	0%	
Pruned	Tanner Sawmills Ltd	18,000	0	-18,000	-100%	0	0		
	Pruned Total	58,000	67,500	9,500	16%	67,500	0	0%	
Pulp	Marusumi Whangarei Company Limited	70,000	280,000	210,000	300%	280,000	0	0%	
Pulp	GC Stokes Transport Ltd	0	0	0		0	0		
Pulp	Marubeni New Zealand Limited	100,000	0	-100,000		0	0		
Pulp	JNL Kaitaia -Tri Board mill	120,000	120,000	0		120,000	0	0%	
	Pulp Total	290,000	400,000	110,000	38%	400,000	0	0%	
Total processing (tonnes)		1,287,000	1,780,000	493,000		1,961,000	181,000		
Increase in processing from 2004			38%			52%			
Total Harvest		2,500,000	2,200,000			2,500,000			
Proportion processed		51%	81%			78%			