

AGENDA

Port Tarakohe Advisory Group

5 July 2023 12.30 - 2.30 pm

Takaka Service Centre Or by Zoom

Join Zoom Meeting

<https://us02web.zoom.us/j/89006623494?pwd=NEZPYzZPOC8ydW5LOTIzM1hhTHNuUT0>

9

Meeting ID: 890 0662 3494

Passcode: 946468

1. Welcome
2. Apologies
3. Minutes of the previous meeting – **7 March 2023**
4. Action items from the minutes of the previous meeting

Action	Status	Assigned to:
Write a paper to the Enterprise Committee on Weighbridge vs Line charges.	Ongoing Enterprise Committee, May 2023	Nick Chin
Update the organiser of the 'Councillors tour of GB, that Ned Wells can organise a MAF representative if needed.	Ongoing	Christina Ewing

5. Managers' Report – Nick Chin
 - 5.1 Financials
6. Health & Safety and Operations Report – Steve Tennant
7. B Wallis, Marina Proposal – Nick Chin
8. General business
9. Next meeting date: 8 November 2023

Port Tarakohe Advisory Group

Tasman District Council

Date and Time: 7 March 2023 @10.30 pm

Venue: Takaka Service Centre

Present: Cr. C Butler (Chair)
Bob Butts (Port Tarakohe Limited), Daniel Hames (Port Tarakohe Services), Allen Reid (Talleys), Shane Bray (Sanford), Mike Holland (Clearwater Mussel Ltd), Roger Taylor (Enterprise Committee Representative), Cr Chris Hill, Merv Solly (Sollys) Margie Little (MKM) Bronwyn Billons (MKM), Martin Potter (Recreational Representative)

Present by Zoom: Ned Wells (MFA), Cr Henry Dixon (Golden Bay Community Board Representative)

In attendance: Nick Chin (Enterprise and Property Manager), Steve Tennant (Port Manager), Stephen Batt (Snr Enterprise Portfolio Officer), and Christina Ewing (Enterprise Portfolio Officer)

The meeting opened at 10.30 pm

1. **Welcome and Opening Karakia**

The Chair welcomed everyone to the meeting and Mr Nick Chin opened the meeting with a Karakia.

2. **Apologies**

Hemi D Toia (Ngati Kōata) and Tom Lakes (Commodore Pohara Boat Club).

That apologies be received.

Moved: Cr Celia Butler

Seconded: Allan Reid

Carried

3. Minutes of the last meeting

That minutes from 20 December 2022 be received as a true and correct record of the meeting.

Moved: Celia Butler

Seconded: Mike Holland

Carried

4. Action Items

The Chair went through the action items which were updated.

5. Port Tarakohe Managers' Report and Financials

Mr Chin took his report as read.

Penguin Fence

Drilling is underway, there were some delays due to contractor availability. An educational brochure has also been developed.

Water Issues

Due to adverse weather events in October, the existing non-potable water supply to the port has been severed. An interim solution is supplying 40 cubes of potable water from Pohara, and staff have added water storage tanks and a pump to mitigate low water pressures, which has worked. We still need to find a non-potable supply for wharf & boat washdown; therefore, staff will start test drilling in the hope to find a non-potable supply.

Upgrades

Spalling repairs are underway. The estimate came in higher than expected to do the fending/groyne work. Staff will be going back to Council to seek more funding through a PNI loan to complete the four extra commercial berths. In a way to repay this loan, commercial berth fees will need to increase from \$20k per annum to \$30k per annum for 25m berths. The commercial users responded that they were not happy, that they would need to fund the loan through increased fees. Mr Chin replied that the plastic floating berths that the commercial

boats are using are not suitable. The Port Tarakohe funding paper would go to Council on Thursday 9 March 2023 and a decision would be made.

It was asked if Mr Chin could give the commercial users more detail on the cost increase and could an email be circulated to MAF and the other commercial users. Commercial users didn't feel they had been consulted. Mr Chin advised that trying to secure funding from Council was not easy and that ratepayers subsidising business may not be palatable.

Mr Chin also updated that the new Fees and Charges will be included for consultation for the Annual Plan and members of the community would have an opportunity to submit their thoughts. The new proposed rates when passed would be effective from July 2023.

A discussion occurred regarding estimating mussel tonnage for the future development of the port. Mr Wells responded that the 2019 business case to the PGF is still the best indication.

Mr Taylor outlined one of the differences between line charges and weighbridge charges, was that with the line charging the company carries most of the risk, however with the weighbridge, the council carries most of the risk and that it could be worth Port Tarakohe going to a line charge model. It was suggested that line charges would give a more accurate estimation than tonnage over the weighbridge.

This was further discussed, and the following recommendation was passed.

The Port Tarakohe Advisory Group recommends to Council reconsider and investigate line verse weighbridge charging.

Move: Ned Wells

Second: Mike Holland

CARRIED

Mr Chin is to write a paper to the Enterprise Committee with the PTAG recommendation.

Car parking

Council is now leasing land across the road from the port owned by Talleys. This is to facilitate our Health & Safety plan. Staff met with Port Nelson regarding obtaining advice on a

more thorough Health & Safety Plan. Port Nelson has recommended a consultant which will be engaged by the Enterprise team.

Leases

New Zealand Caravan Association Licence to Occupy has been completed.

Lighting

The Port Taroakohe operational lights have been adjusted and dimmed as an action from some complaints, unfortunately dimming these lights anymore becomes a Health & Safety issue for the port and its users as boats berth at night.

It was asked by a member if the lights could be turned on and off and have the lights met regulations. In response, it was advised that the port is an operational area and historically brighter lights were used at the port. The LED is a softer option. The lights cannot be turned on and off as it could cause problems with drivers being startled. In comparison at Marlborough port there is a row of lights that are on 24/7 for operational safety reasons. Mr Chin would follow this up.

Rock Contract

A discussion occurred regarding the potential rock contract. Steve Tennant Port Manager tabled a plan on how the rock and fishing industries could both use the port.

Mr Solly replied he will know more next week regarding the contract. When asked how long the rock contract would be, Mr Solly responded it could potentially go on for two years but was unsure.

Traffic and Pedestrian safety

Pedestrian safety was brought up on Abel Tasman Road. Staff would pass on these concerns to the roading infrastructure team to investigate.

6. FY 2021-22 Financials

Mr Chin took the group through the January 2023 financials. Budgets are tracking \$27k below budget. General Operating costs are down; however, consultants' and engineering costs have gone up for the port.

The Port Taroakohe Advisory Group receives the Port Taroakohe Managers' and Financial Report.

Moved: Cr Chris Hill **Seconded:** Allan Reid

CARRIED

7. Port Tarakohe Operations and Health and Safety Report

Mr Tennant tabled a report and gave a verbal update. He continued to outline the Operations and Health & Safety items for the Port which included.

Health and Safety

1. Water supply issues;
2. Private vehicles on the main wharf, these should be operational vehicles only;
3. Port Induction;
4. Oil Spill kit;
5. New Integrity security system in place, which will allow the port to roll out required security in the future. Barrier arms are now connected to this system;
6. Vehicles stopping at gate entrance creating bottle neck;
7. Beams being removed from old wharf week 30 June 2023; and
8. Forklift incident.

8. Port Operations Update

1. Strong permanent forward bookings;
2. Rock contract;
3. Cruise ship bookings for next year and requests helicopter landing spots;
4. Weighbridge usage starting to increase;
5. New cashless barrier arm system to be fitted this week, we are still having issues from members of public interfering with arms;
6. Too much product being left on port for extended periods;
7. New weighbridge software to be fitted, port users should have access to their transactions on a daily a basis;
8. Drivers need more explicit info to make the weighbridge system work. MPI declaration must be with drivers' dockets; and
9. Spalling repairs nearly completed with no operational issues.

Mr Chin outlined the next proprieties for the development of the port will be the abluion block, wastewater, and the sheet pile wharf.

Mr Potter asked if there was any more information regarding the upcoming works and wave protection of the eastern arm and how that may affect the recreational users on the western side. Mr Chin said this had been considered and would check with Stantec.

9. General Business

The Chair indicated that on April 12, 2023, Councillors would travel to the Golden Bay region for an informational tour. If required, Mr Wells offered he could send someone from the MAF to speak with the council members.

Mr Chin informed the advisory group that the port is on restricted potable water and allocated 40 cubes per day. For this reason, test drilling will be happening on Thursday and Friday to find a reliable no-potable water source for the port and Pohara Boat Club boat washdown.

Mr Butts tabled some photos of the damage occurred and responded that due to the above land being used for forestry and agriculture, which is eroding, it is causing their water supply to be unreliable. Port Tarohe Limited (PTL) have invested \$30k this year in upgrades to their tank system to meet regulations and cleaning the silt from the tanks. He advised there are no silt traps above the tank as it's on private land. Mr Butts outlined to get a reliable water supply at this time, is to fill their tanks in good weather, the PTL tanks can hold 500 cubic meters of water. The priority to PTL is their tenants water needs and secondly the port.

The Chair thanked Mr Butts for his update and to all the members for their time.

The meeting closed at 2.09 pm.

Next meeting: – 5 July 2023

Closing Karakia by Mr Nick Chin.

10. Action Log March 2023

Action	Status	Assigned to:
Write a paper to the Enterprise Committee on Weighbridge vs Line charges.	Ongoing Enterprise Committee, May 2023	Nick Chin
Update the organiser of the 'Councillors tour of GB, that Ned Wells can organise a MAF representative if needed.	Ongoing	Christina Ewing

Port Tarakohe Enterprise Managers Report

Financial summary

Revenue has improved and is above budget for May Q4 2023. The main contributors are the marina (+\$19K above budget), recreational boat ramp fees (+\$11K above budget) and “other” income (+\$14K above budget) which is primarily lease fees. Mussel wharfage and rock wharfage are 8% and 12% below budget respectively. This should correct by the end of the financial year.

Direct costs, primarily maintenance and staff costs are above budget by 71K. The variation is primarily staff costs (\$28K) and maintenance (\$55K over budget). As a result, EBIDTA is behind budget by \$52K. Drilling costs, water and electricity were significant contributors to the overspending.

Port Tarakohe	\$ Ex GST					
YTD May 2023 Q4	Actual	%	Budget	%	Variance	% budget
Revenue	792,479		773,828		18,651	102%
Costs	590,292	74%	519,717	67%	- 70,575	114%
EBIDTA	202,187	26%	254,111	33%	- 51,924	80%

Operations

Health and Safety. Regular Health and Safety meetings commenced in May (minutes attached) following an independent gap analysis. Key actions include new signage, security, induction processes, access restrictions and regular audits. A new traffic management plan was introduced to help manage the Solllys rock contract and Heron Contracting works.

Water supply. Following a successful exploration, a good source of non-potable water has been found in the Motorhome Association leased area. Trenching to re-route waterpipes and power is underway including an installation electrical supply for a pump. This should be operational in June-July. A resource consent application to extract more than 5m³ a day will be undertaken once bore testing is finished in July.

Solllys’ rock contract. A temporary ramp has been built by Solllys for loading a barge to ship rock to Wellington.

Access. To facilitate access, Council has approved a quote to install a new sliding gate at the eastern breakwater end of the Port operational area. All gates will be operated by swipe cards which will be distributed as inductions take place.

Staffing. We are delighted to welcome Dianna Henshaw as a part-time administrator. Dianna will focus on invoicing and databases.

Process. We are anticipating the introduction of an improved weighbridge system by August. This will allow customers real-time access to tares and weighbridge information. The methodology for charging for mussels was last reviewed in 2013/14 when weighbridge charges were developed. Following the previous PTAG meeting, a study is underway comparing a Weighbridge versus Lines charge approach. An analysis by Aquaculture Direct has been commissioned with a report expected around September this year. The scope of work is as follows:

- Port Tarakohe and its importance to the industry

- An overview of the current charging regime
- Examination of the costs/benefits of moving to a line levy model
- Feedback from aquaculture operators on a potential move to a line levy model
- Feedback from Port Marlborough on the use of a line levy model in Marlborough
- Feedback from Port Nelson on implications of levy charging for Nelson-based companies
- Staged development consent conditions
- Confirmation of the number of lines installed/percentage of AMAs developed as of May 2023
- Comparison to the 2019 Business Case figures and commentary around any variance.

Penguin fence: The fence is currently being constructed and will be completed in July.

Heron Contract re fendering and new berths: Heron will commence works in June 2023 and is expected to finish in February 2024.

NPD. The NPD fuel supply contract has been signed. The contract requires relocating the fuel bowser by September 2023. The fuel bowser will be located at the end of the floating wharf and adjacent to the fuel tank.

Work in Progress. Staff are seeking funding to progress an ablution block and sheet-piled wharf. In the interim, a temporary toilet and shower facility is being priced to replace the Port-a-loos. If funding allows, Council will install black and grey water tanks and a disposal system for vessels.

Port Tarakohe
For the year to May 2023

Profit and Loss	Year to Date			Year End			YTD % Total Budget		
	Actual May 2023	Budget May 2023	Variance \$	Variance %	Actual May 2022	Forecast Jun 2023		Budget Jun 2023	Variance \$
REVENUE									
General rates	0	0	0	0%	0	0	0	0	0
Marina, mooring and berthage fees	385,568	367,059	18,509	5%	348,976	400,436	(400,436)	383,228	96%
Mussels wharfage	223,899	242,759	(18,860)	-8%	254,103	264,825	(264,825)	250,471	85%
Fish wharfage	4,037	7,326	(3,289)	-45%	3,287	7,987	(7,987)	3,121	51%
Rock wharfage	42,708	48,807	(6,099)	-12%	22,351	53,249	(53,249)	33,482	80%
General wharfage	39,486	34,166	5,320	16%	32,875	37,275	(37,275)	33,233	106%
Weighbridge income	10,067	12,694	(2,627)	-21%	10,725	13,845	(13,845)	10,592	73%
Lease income	25,588	24,409	1,179	5%	23,324	26,625	(26,625)	24,372	96%
Boat ramp and compound fees	42,992	32,219	10,773	33%	40,004	35,145	(35,145)	40,676	122%
Other income	18,132	4,389	13,743	313%	22,036	4,792	(4,792)	(377,964)	378%
Share of council investment income	0	0	0	0%	0	0	0	0	0%
Total revenue	792,479	773,828	18,651	2%	757,681	844,179	(844,179)	401,213	94%
EXPENSE									
Personnel costs	134,277	105,325	(28,952)	-27%	125,477	114,902	114,902	134,099	117%
Maintenance	120,125	64,812	(55,313)	-85%	131,331	70,711	70,711	195,506	170%
General operating costs	113,303	141,504	28,201	20%	108,280	154,379	154,379	118,996	73%
Professional fees	18,938	12,001	(6,937)	-58%	18,294	13,095	13,095	(378,518)	145%
Overheads	203,649	196,075	(7,574)	-4%	130,672	213,903	213,903	139,061	95%
Total expense	590,292	519,717	(70,575)	-14%	514,055	566,990	566,990	209,144	104%
EBITDA	202,187	254,111	(51,924)	-20%	243,626	277,189	(277,189)	192,069	73%
Depreciation	(259,024)	(296,252)	37,228	13%	(240,690)	(323,186)	323,186	(253,474)	80%
Interest expense	(156,448)	(117,150)	(39,298)	-34%	(133,187)	(127,798)	127,798	(145,739)	122%
Surplus/(deficit)	(213,285)	(159,291)	(53,994)	34%	(130,251)	(173,795)	173,795	(207,144)	123%
OTHER COMPREHENSIVE REVENUE AND EXPENSE									
Asset revaluations	0	0	0	0%	0	0	0	0	0%
Total comprehensive revenue and expense	(213,285)	(159,291)	(53,994)	34%	(130,251)	(173,795)	173,795	(207,144)	123%

Health and Safety – Steve Tennant

1. Water supply issues. **Emergency Fire fighting pump being installed/Now being used for Port wash down/Still on restricted supply/Tanks/pumps/electrics** all in place. Main supply to the wharf to be installed. This will also include supply to PBC boat wash.
2. Too many private vehicles on the main wharf, these should be operational vehicles only. **WIP/ New traffic flow and access will correct/** Better with the new traffic flow system and may shift waste oil to assist with private entry.
3. Port Induction W.I.P. **Being encompassed with port repairs and pending rock contract. Being actively progressed Brought in PON to assist/Tablet set up and induction being finalised roll out in July.**
4. Oil Spill kit being capability being fitted in with NPD lease once signed and their Tier 1 response is submitted. **Oil Response Tier 2 trailer being installed at Harbour Master depot in Motueka. TBA of Delivery/Trailer purchased awaiting oil response gear from Maritime NZ.**
5. New Integrity security system in place which will allow the port to roll out required security in the future. Barrier Arms are connected to this system now. **Sifer Card system to be spread to all gates. To be activated 2023/to be implemented with new traffic flow/Back gate being automated and Sifer cards will be issued with each induction completed.**
6. Vehicles stopping at the gate entrance create a bottleneck. **Increasing problem/ Roding dept and Port working on a solution/WIP**
7. **Speed past the port too fast/ WIP/Need speed reduction**

Port Operations Update

1. Still strong forward permanent bookings. **Almost no room for regular summer visitors. Fully booked for summer period/ Still strong bookings and berthage at capacity/ Berths at capacity**
2. **Rock contract for Wellington Walkway going ahead/ Presentation of operational area submitted/** Contract underway and working well with temp ramp.
3. Weighbridge usage started to increase after a quiet couple of months. **A couple of weeks away from harvesting/Weighbridge use ramping up/** Forecast is encouraging.
4. Too much product is being left on the port for extended periods. Slight improvement. **Being monitored by casual visitors can be problematic/ WIP/** Has improved

5. New weighbridge software to be fitted Port users should have access to their transactions daily. **Hardware hold-up has curtailed this implementation.** WIP/ nearly Implemented/Installed and being tested
6. Drivers need more explicit info to make the weighbridge system work. MPI declaration must be with Drivers' Dockets. **When the crop gets in full swing we'll be able to monitor.** Still issues/Penalties being implemented from the 1st of July.
7. Spalling repairs nearly completed with no operational issues/ Completed with no issues.
8. The Heron Construction contract is underway and sensitive rocks removed with no issues. The main wharf will have a third closed off at time whilst fendering repairs are being done.
9. Some vessels are struggling to get insurance because of age and materials
10. Western breakwater road will be reinstated when all pipework and drainage are completed
11. Too much water in waste oil containers costs thousands to extract.
12. Cruise Ship booking for Late Jan 2026

Figure 3. Proposed future recreational marina plan at Port Tarakohe.

