

Unconfirmed Meeting Notes

Port Tarakohe Advisory Group

2.30 pm, 30 June 2014 – Pohara Beach Boat Club

Present: Martine Bouillir (Councillor) (Chair), Milan Talley (Talley's), Merv Solly (Solly's), Bob Butts (Port Tarakohe Ltd), Carolyn McLellan (GB Community Board Chair), Martin Potter (Marina Assn), Tony Lawton (Marina Assn), Craig Bishop-Everett (Pohara Boat Club), Kris Solly (Marine Farmers Assn), Paul Sangster (Councillor), Gene Cooper (TDC Commercial Manager)

In attendance: Alan Kilgour (Harbour Manager), Gene Cooper (TDC Commercial Manager), Valerie Gribble (TDC Executive Assistant)

Apologies: Nil

1. Introductions

Members of the Advisory Group introduced themselves.

2. Election of Chairperson

Moved Paul Sangster/Carolyn McLellan

That Martine Bouillir be Chairperson of the Port Tarakohe Advisory Group.

Carried

3. Set the Scene

Gene Cooper advised the group of the following, to set the scene:

- Open dialogue
- Positive input
- No re-litigating history
- About the future, moving the Port forward
- Gene will be open and transparent, but in return expects confidentiality. If anybody is unsure, ask questions.
- Wants good input, with everybody to put their position on the table.
- Terms of reference are not binding on Council.

4. Terms of Reference

Martine reviewed the Terms of Reference which were attached to the agenda.

- If something urgent came up we need the flexibility to have a meeting.

- Decided to keep to four meetings a year, the 2nd Monday of the month.
- Next meeting Monday 6 October 2014, 3.30 pm at the Pohara Beach Boat Club.
- Alternates are acceptable.

5. Port Strategy Document – Infrastructure, Roothing, Water, Development areas

Gene:

- Went through Development Plan process, full of ideas and concepts.
- Tasked to write a high level strategy report around key things that we have missed around the Port, eg roading, key infrastructure, where development will occur and what it will involve and lock it in.
- Need a strategy on how to deal with issues, eg, road not safe, health and safety legislation, need to identify development that will happen and where.
- Roothing, water, future development – some reports have raised the issues for discussion but no decision arrived at.
- Hoping to have draft available for next meeting. Will share with the group.
- Is having meetings with affected parties. He has some views, eg how we cope with initial development, when more marine farms are planted how we manage that process. In consultation phase with some of those people, then will be brought back to an open environment in one or two months time.

Discussion was held on why the road has become part of the Port.

- From strategy point of view have to look at everything that affects the Port.
- There will be a lot of logging trucks coming through. Roothing is a strategic thing to take into consideration.
- Principally concerned with what's coming in and out of the Port and how you get it in and out.
- Tarakohe shouldn't be paying for something that is part of the district. It is not a cost issue that belongs to Engineering.
- A lot of submissions said roading should not be part of Tarakohe costs.

6. Work Programme for Capital Development

Gene:

- Future development is pegged in terms of substantial items moving forward but still need to have a fit-for-purpose facility and an operation that doesn't present any health and safety issues.
- Sorting out quotes to get broken boards/wharf damage mended.
- Have had some issues around wharfage, so the decision has been made to install a weighbridge. Trying to automate all systems. A number of people doing manual activities which are not conducive to efficiency or effectiveness.

Discussion was held on the need for a weighbridge. Gene advised they had viewed camera footage over 7 days and there had been three instances of people not accounting for everything going over the wharf. Ultimately we have to drop to the lowest common denominator to make sure everything over the port is captured. The bottom line is we had leakage and it was substantial. With automation it allows streamlining of everything out the back end. Feedback through the development plan process was that commercial and fishing were not paying their way.

- MFA did not want a line levy, wharfage on everything is what they've chosen and TDC has now adopted that. We are now dealing with a weight issue. Council was happy with a line levy but it wasn't accepted.
- It is a critical mass issue. We don't have critical mass running through here so you will pay more. TDC will not continue to fund the Port. It continues to advise it must break even.
- Kris Solly noted they have a budget line to meet. How do you come to the \$15.60 for mussels at this stage? We've given you as many figures as we can. Scared that this year is \$15.60 then up to \$16 for next year. Will it be \$20 next year? How will it be policed?
- Gene advised if the volume drops coming over the port, prices will go up until an equilibrium is struck.

- Merv Solly said they will leave.
- Paul said he was an advocate for a weighbridge as he thought it would fix the problems. He asked how can we make it work? Where do we get the money from that makes this pay? We doubled the price for the marina due to valuation increases.
- Gene advised there are different schools of thought on the \$12 million valuation, but he doesn't subscribe to most views in submissions on the issue. If you had to replace it tomorrow, it has to be at today's costs. TDC made its call.
- Milan said if we put the weighbridge in there will be extra financial burden to TDC, will put further into red, because you're not going to capture extra revenue. Extra revenue will not pay for the weighbridge.
- Merv said they don't believe TDC numbers. If you say you take it or leave it, I'll leave it. If we can't discuss these issues and TDC isn't going to listen, we may as well close up. The charges at Tarakohe are more than he pays at other ports.
- Bob – it's obvious if you don't pay a reasonable figure the facility will collapse, go into disrepair or be sold. Have to come up with a figure that you're all happy to pay.
- Gene advised the ODRV method is an accepted valuation of a monopoly asset.
- Martin and Tony referred to a Court case which apparently said you can only apply a rate of return on investment (from High Court)
- Martin asked why is TDC so locked in and sticking with that valuation when it might perhaps be the wrong way.
- Gene undertook to look at the Wellington International Airport Ltd and Others v Commerce Commission High Court case. ODRV is the most tested and appropriate method, used at Port Nelson, Ports of Marlborough and Nelson Airport. The only difference comes down to critical mass issue at Port Tarakohe.
- Martin noted there is a lot more income from the marina than the wharf. The marina is full. TDC needs to be careful. All very well to work out what it costs. There are a lot of marinas around the country and we know what they charge.
- Gene agreed that a fair chunk of the income is coming through marina. In terms of commercial activity the weighbridge is so we don't get more leakage. We have gone to wharfage, which wasn't TDC's desire. He understands this is the first meeting where all issues are raised, but we can't keep re-litigating. He can't change what has happened. It's about moving forward.
- Gene reiterated he was here with the best intention to solve issues, but we can't do things until we get in the black. 58% of income is from the marina, moorings and boat ramp. Some decisions will be testy, and people will be unhappy.
- Merv asked that TDC be fair. If you could run the business with a weighbridge and print accounts it would be good.
- Gene advised that we have manual systems that are a mess. If he can streamline them at once he will. The real thing that changed was the MFA walked away from the line levy and opted for wharfage charges.
- Gene said the weighbridge will cost \$145,000, with payback between 1 and 1.6 years.
- Gene advised there were three events picked up on the CCTV, one had five bags go out on a carrier, unreported.
- Bob considered that part of having a weighbridge is a deterrent.
- Milan said he doesn't go across a weighbridge in any other port in NZ.

7. Automation of Payment processes, debtor terms refinement

- Gene advised the debtor is the party who lands the crop. MFA, through the process, said we're not having anything to do with paying charges, requiring a charge to each marine farm owner. TDC sent information and contracts out and not one got returned. Anyone who lands crop is the one legally required to pay. Nobody would sign the contract and therefore TDC has no other legal option. TDC wants it all streamlined, but that got difficult after the line levy was thrown out.
- Gene advised there might be a small amount of write-offs, about \$15,000. There was \$190,000 outstanding at the end of last month. Half of it was the graduated payments

of monthly income. There are some historical issues, eg Santa Monica was \$22,000 in arrears, we got \$3,000 and he is not to move the boat until it is dealt with.

- By in large Debtors needs tidying up.
- It was suggested that people could be told if they are seen on CCTV and any bags are not declared there will be a 50% penalty.
- Gene agreed with that thinking but it would need to go through the annual plan consultation process before it could be implemented as there was no current charge in the annual plan.

8. Port and Marina Security

- Putting another couple of cameras in. Struggle to see some issues and what comes in and out of port. Had a major health and safety issue when somebody fell off their boat, and to be able to review CCTV footage was good. Only other thing is a communiqué for commercial people ringing Allan Kilgour who will appoint a mooring. (instructions on TDC website). Would like those people directed to TDC berths first. Also issue about cargo being offloaded over floating wharf, rather than commercial. It is a health and safety issue, amongst others.

9. Port Access

- Allan – vessel domiciled to port gets free berthage. When you go to wharfage system, it is a “wharfage and berth system”. Boats are charged berthage and we ask that they notify us when they come in and depart.
- Milan would hate to see the port be completely fenced off. Can drive onto Nelson wharf unimpeded. Don't think we should go to expense of completely fencing it.
- Allan advised it is the general public that is causing problems. You can have fishing boats unloading, this is a policing situation. If we have a major situation then the port will be responsible.
- Gene advised we are talking about a gate going in and out and a swipe card process.

10. Port Valuations

- Gene – we have to get port valued every three years under legislative requirements. Not envisaging any material changes, but there are probably a few fundamental errors in the original valuation that need looking at.

11. General items

- Outstanding Natural Landscapes – use this forum to make everyone aware of what is going on with that work.
- Bob noted that none of the Port land is identified as outstanding natural landscape. On a personal basis 20 – 30% identified is land owned by Port Tarakohe. Mussel Farms in Golden Bay have been identified, but because the farms are in AMA it has no affect on the main body. Spat farms at Wainui are sitting next to Outstanding Natural Feature. There has been rigorous debate and they will be affected in some form.
- Gene said the Outstanding Natural Landscapes talk about protecting hills which ultimately might have significant impact in the future.
- Bob said there will be the cross boundary effects.

Updated financials for next meeting.

Milan noted that as an advisory group it would be good to know any decisions happening against what the Board wants. To continue to function well the group needs to be kept informed and hear about things.

Tony Lawton advised that the Marina Association will have a vote on who will be on the Group.

Meeting closed at 4.26 pm.

Next meeting – 3.30 pm, Monday 6 October 2014.

Action List –

Who	Task	Resources/others involved