

Notes of the Port Tarakohe Advisory Group Meeting

Date: 16 June 2015, Start 1.30 pm

Venue: Pohara Boat Club

Present: Tim King (Chair) - Councillor - Tasman District Council
Martine Bouillir – Councillor – Tasman District Council
Paul Sangster – Councillor – Tasman District Council (arrived at 2.30pm)
Carolyn McLellan – Chair - Golden Bay Community Board
Gene Cooper – Commercial Manager – Tasman District Council
Bob Butts – Director – Port Tarakohe
Merv Solly – Owner - AristaCat
Milan Talley - Director - Talleys
Allan Kilgour – Harbour Manager – Port Tarakohe (arrived at 2.30pm)
Alan Russell – Pohara Boat Club (arrived at 2.30pm)
Rhonda Marshall – Commercial Services Admin – Tasman District Council

Apologies: Kris Solly - Manager – AristaCat
Graeme Coates – Director – Aquaculture Direct

Timer was to start 12.30pm. Council apologised for conflicting messages sent.

1. Previous Notes

Discussion around ensuring the previous minutes reflect context. Note to include agreed outcomes and outline which items were options rather than decisions. This is for clarity for those who didn't attend the meeting. The following points are to be amended:

- a) Mussel farming activity is likely to double in size rather than the port doubling in size.
- b) Filling in for road access should be noted as “on seaward side”
- c) “Do not want factories on port space” – to be noted this is only within the port there is the possibility for development outside the port.
- d) Talleys want to own the port – to be reworded.

Further discussion on the roading issue; this is noted as a port issue in the health and safety review document, Tim noted that as this is not inside the port it should be looked at as an external Roding/Engineering issue and dealt with accordingly.

2. Port Strategy Update

Feedback on the Health and Safety review and port strategy is required from all parties. Feedback should be via discussions and then individually rather than formal submissions. Council will then put together a draft report which will be tabled in the October/November Advisory Group Meeting. Standard Operating Procedures (SOP's) for wharf operation

require attention (Solly's and Talley's are to forward their respective documents to form one port document).

Bob raised and Milan discussed Tom Hollands input at Sugarloaf in Coromandel as an example of a wharf smaller and with fewer facilities than Port Taranaki working well. Most agreed the existing facilities should remain at Port Taranaki.

An internal Council discussion will be held and put forward to the Advisory Group for input.

The strategic plan will be developed before going public.

Merv raised cranes as an area to be looked at and developed.

Noted by Carolyn that any strategic plan input needs to be carefully planned not to clash with Christmas holidays.

3. Boat Club

Freedom campers are continuing to use port areas without a formal arrangement and contributions should not be requested as this would mean the area should be converted into a campground if fees/ donations are being paid.

The existing area needs to be utilised better and the Boat Club's actions need to change. Gene has noted he has asked to have discussions on the use of this land with the boat club. The main focus is to maximise the use of the port land and if we are going to use some as reserve/camping land, then Council will charge accordingly. A plan is being worked on regarding the use of land.

4. Health and Safety Review

Council are responsible for the Health and Safety at the port and Allan is technically a contractor to the Council. Council have good documentation and systems in place however currently these are not being fully utilised. Emergency procedures urgently need putting in place along with incident reporting, some incidents are not being reported back to Council and therefore cannot be managed in the correct manner. Vault is the Council internal system for managing incidents and needs to be used. Hazards are not accurately reported on and issues arise from this e.g. rope trip and broken ankle incident.

The condemned wharf is still being used – this is a big issue. The two boats at the condemned wharf are to be removed, Council are having ongoing discussions with the owners;

- Discussions are underway with Mr Choi and his interpreter re the Santa Monica to have this removed, a large amount is owing on this. Council doesn't want to dispose of the boat or go unpaid for the outstanding debt.

- Stuart Wallace owner of the Hemenstal is now up to date with payments and has agreed to move his boat, dates are being thwarted by ongoing thefts and health issues. Latest update is removal at the end of July.
- The condemned wharf is to be locked up, discussions around fixing this up which is not an option at this stage or building structures around the wharf, this is to be looked at later on. Discussions are underway between Council and NPD about moving the fuel bowser to the corner of the wharf.

A Health and Safety contract and induction process needs to be developed for all coming into the commercial area of the port – Tim noted this is quite an urgent requirement as we need to comply with the current legislation. Accepted by Bob, but also noted that the port is not liable for any trespassers into the commercial area.

All equipment on the port is to be maintained, Milan raised concern about Councils expenditure in areas he does not see as a priority (e.g. weighbridge) and expenditure on the security and condemned wharf versus the possibility of fixed operational cranes. Milan also raised the repair of the condemned wharf resulting in the possibility of having to relocate the ice tower and fuel. Noted by Milan that he feels the Health and Safety upgrades are paid for by the port users and they should have a greater say. Noted by Gene that crane upgrades are outlined in the LTP and that as Council was responsible for Health and Safety it would make these decisions.

5. Operational Changes

Gene raised Allan's retirement, his contract is valid for another year however the job description is being developed now and will be advertised in September this year. Allan will continue in a limited role for ease of handover to the new Council employee. Allan is happy with this agreement as he would like to work fewer hours. The new role will be a full time position with Allan as part time alongside for the handover period (at least a few months).

2.30pm – Allan Kilgour, Paul Sangster and Alan Russell arrived in meeting.

Allan currently has the maintenance contract and will continue to do this side of the role while the new employee learns the ropes. Discussion around whether two roles are required, this will be one full time position in the future but mix is not yet determined.

Technology upgrades raised by Bob, this would save time and money, look at long term savings and whether 4G is available in the area. Carolyn requested a letter be sent from the Advisory Group to Susan Edwards in relation to the current broadband speeds and requirements going forward.

6. Long Term Plan

Sign off of the LTP expected within the next two weeks. The following are budgeted in the LTP:

- A fixed crane at the port.
- The fuel berth/condemned wharf.
- A Health and Safety allowance is in place for the pile berth.
- New wharf construction has been planned for 2019-2020 which depends on industry developments, this includes the removal of the old wharf.
- The hardstand area.

Please note this is an outline only this will be addressed again prior to spending made, feedback from the port users is valued and Council spending requires business case approval by Council before proceeding.

7. Weighbridge

The weighbridge has been operational since the 1st of December 2014, some small issues arose in the first two months however these have now been rectified and the weighbridge is operating well.

Originally monthly reports were being sent to port users covering their usage and activity over the weighbridge, this has now been amended to weekly reporting however invoicing remains monthly. The change to weekly is to give port users the opportunity to query transactions while the usage is still fresh in their minds. The truck/truck and trailer are weighed and the net which is based on tares from the LTSA is then charged depending on what is being carried.

Issues raised by Milan:

- The LTSA tare is different to the weight of the truck.
- Talley's are being charged for all frieght at the same price as wetfish.
- Accuracy of the weighbridge has been queried.

Merv suggested using his own weighbridge and comparing the two weights for accuracy. Milan advised he declares the actual wetfish weight to the Ministry of Fisheries, this is accurate. Gene advised the reason for the weighbridge is to determine what weights go over the port and is linked to depreciation of the wharf over time therefore Council requires actual weights of the trucks minus the tare. Regardless of whether this is fish, ice or equipment the weights reported are important to Council as its fits the methodology attached to all charging. Records given to the Ministry are not relevant to Council.

Gene also made it very clear these issues have been raised several times, answers provided and options afforded to Milan Talley to resolve the issues. Therefore Talley's need to take heed of the instructions given to get an outcome under the very clear instructions given.

2.50pm – Carolyn left the meeting

Bob suggested removing all the cases from the truck and trailer prior to going through the weighbridge and using that as the tare. Bob also outlined this issue is a very small issue at 600 Tonne of product a year – less than \$10,000 – cost to Talleys. Merv suggested using a standard procedure such as for every tonne of wetfish there will be half a tonne of ice and cases, charge this accordingly. Tim agreed that issue may need further input, but to have this checked prior to making that assumption as proportions may change. Milan queried ice coming in to the port being charged as general and asked if fuel is charged over the weighbridge. Gene recapped that he has given the option for Talley's to get an independent tare on 3 occasions. Council agreed some discussion around rates applied to various cargo weights ie fish \$16.07 and ice/buckets \$5.36 (general cargo) could be an area Council is willing to discuss. More discussion is required.

8. Security

Three new cameras are being installed due to gear going missing in the marina area also on occasion the gate has been left open.

Milan doesn't think extra security is required due to the costs involved. Tim noted this is a Health and Safety requirement and Bob agreed this is a deterrent to anyone who is not supposed to be in the area. Gene noted the cameras were very useful when the rope trip incident happened as what was reported was very different to what was watched on the recorded material. Currently recordings are kept for three months however the capacity will be more when the new system is in place, this will cost approx \$24,000 including removing the IT equipment from the Boat Club.

Council has made the decision on the back of Health and Safety advice, full securitisation of the Port and camera footage are top priority to minimise and mitigate various risks which have proved to be appropriate.

9. Finances

Profit and loss statements handed out to the Advisory Group and returned to Gene at the conclusion of the meeting. This statement is for the previous nine months, currently the port is \$1,000 in the black. Noted that wharf income is behind and the weighbridge is not related to Capex. Milan noted any further expenditure needs to be justified, agreed. Milan doesn't feel port users are being listened to. Gene and Tim advised that port users views are valued and all feedback will be reported back to Council however, that does not mean Council will adopt their specific requests – this is an advisory group.

Milan doesn't feel the weighbridge is justified. Gene responded that tonnages going over the port as reported by the users last year appear lower than the past few months. The weighbridge is doing its job, audits were completed during 2014 which showed substantial variation. Freight into Port is now captured, not previously captured. Approximately 10% difference between last year and this year which shows weighbridge justification.

Merv raised the issue the Port would be \$100,000 plus in profit if the weighbridge had not been installed/ spent . The wharf depreciation is written off but capex is not specifically recorded in profit and Loss. The interest on the loan for the weighbridge was noted by Milan, Gene responded that if volumes go up as expected then it will pay for itself. Bob noted that the port is not dipping into public funds, which is the point of the exercise. The port is currently covering its costs.

Debt recovery continues, Pursuit Fishing are now up to date as is the owner of the Hemenstral, older debt recovery (five plus years) is continuing however many will need to be written off.

Merv raised the valuation which was incorrect, rates were based on this. Gene advised the Council must revalue every three years as a statutory requirement and the current rates are set on what is realistic and affordable for the customer, rates are set for the port to stay in the black.

Income is 16% behind budget, explained in later section. Occupancy of the pile berths are suffering as many are moving into moorings. That slack is available for commercial use.

Gene advised the forward focus is:

- Power and how it operates
- The condemned wharf
- Structural assessment happening next week to cover spalling issues and pile berth reconfiguration.

Marine Farmers Group and the Commerce Commission - an interim decision has been made to continue discussions. A different depreciation model may be required to be used as case procedure now highlights issues could exist. Council have checked that current charging procedure is true and proper under S12 of the LGA 2002. Gene advised any change in depreciation method given the 50% subsidisation is unlikely to change any charging outcomes for any users.

10. Marina

Council are looking at the occupancy issues. No work is currently planned just some maintenance such as some recent work on the plastic dogs. Marina is nearly 12 years old and hasn't had much done in that time in the way of maintenance. It has a 25 year lifespan (noted by Allan).

Issues outside of wall – there was a big storm 6 weeks ago and a king tide which resulted in 5 tonne boulders being moved. Water was going over the bung wall and three quarters of the way over the road. More rocks were stacked in the holes however more work is required – Gene is looking into insurance cover. Merv is completing work.

11. Ice Tower

Milan is not happy for the ice tower to be relocated as mentioned as a possibility by Gene. Other fishing companies are using the ice tower. Gene advised he was seeking feedback on this possible relocation, this is part of the bigger picture and timeframes are flexible but part of the Strategic planning work. Paul advised we may need to make use of the entire wharf and the relocation would be beneficial for all port users. Bob advised that Talleys are a valued port user and an important part of the port, agreed by Gene. Agreed not to spend money on the condemned wharf (note: entrance must be sorted to comply with H&S issues) at this stage. Merv advised the ice tower and fuel tank are valued assets. Gene advised the strategic plan is to cover 20-25 years and this was the key driver. Bob suggested sheet piling as a solution for the condemned area. Agreed that more of the wharf could be utilised if the ice tower was moved, the ability to expand is there.

Milan suggested a fixed crane is a better focus. Gene advised this option was provided for Talleys to supply and hand over to company Port after installation. The charging ability of all users is limited by parties who want to pay for this service. Poor payback could be an issue as every expenditure item requires a business case approval respectful of all users needs, not a small portion of output (ie fishing 600 Tonne of an approx 10,000 Tonne operation = 6%).

Draft notes will be sent to all before being finalised.

The meeting concluded at 4.05 pm