

Mr Allan Kilgour
80 Dodson Rd
R.D.1
Takaka 7183

Daytime Phone Number

5258174

Mobile Phone Number

027 4463891

Email Address *

allanmariek@gmail.com

Organisation

Port Tarakohe

Position

Harbour Manager

Feedback for Port Tarakohe Development Plan

I have been asked to put a few thoughts on paper re the Port Tarakohe Harbour development plan in my capacity as Harbour Manager, as I have managed the port for the past 11 years and have been involved in all port development and financial decisions associated with the port.

It is reassuring that the W.H.K. Consultants have taken on board the previous reports and decisions that were commissioned by the council back in 2005, and not actioned on.

Port Finances based on previously rejected report

- It is of interest that the port's development financial plan analysis is based on the Sutton McCarthy report commissioned by the mussel industry in 2006. This report was rejected by two previous elected councils in the past.
 - The question needs to be asked why?

User Pays

- I am a firm believer that the port should be user pays for all port customers. It was always proposed to be this way from day one.

Increased Marina Fees

- When the marina was built and completed in 2003 the recreational rate was \$165 per metre per year. The current 2013 rate is \$262 per metre per year. 63% increase, proposed another 100% increase.
- This is the same rate recreational boats are charged in Nelson Marina, our nearest competitor, and they offer superior services.
- The proposed marina fees would make Port Tarakohe the most expensive marina in the top of the South Island for both recreation and commercial boat owners.

- I also believe that the proposed financial increase in marina fees will jeopardize the marina occupancy rate.

The Main Concrete Wharf

I have always been a firm believer that the wharf should operate on a wharfage and berthage system that is fair to all wharf users. At present we have three main operators that use the main wharf as follows;

- **Fishing industry** (pay by wharfage and berthage).
 - Note: The rate for fish in 2002 was \$10 per tonne. The rate for fish in 2013 \$10 per tonne (nil increase).
- **Bulk cargo industry** (pay by wharfage and berthage).
 - Note: In 2002 bulk cargo was charged at \$3.50 per tonne. Comparatively, in 2013 the rate was \$3.90 per tonne (an increase of 40c per tonne).
- **The mussel industry** (GB farmers pay by a voluntary line levy, Tasman Bay pay by wharfage).
 - The rate for mussel product in 2002 was \$1.05 per metre per year. In 2013 the rate is \$1.05 per metre per year (nil increase).
 - The rate for spat product in 2002 was 32c per metre per year. In 2013 the rate remained at 32c per metre per year (nil increase).
 - The above applies only to the mussel and spat lines in Golden Bay.
 - The mussel farms in Tasman Bay pay by wharfage of product that comes over our wharf. This is hard to ascertain as the figures are supplied by the mussel farmers themselves.
 - The above line levy charge produces approximately \$86,000 per year for the port.
 - If we were to convert this to a wharfage system it would equate to approximately \$250,000 per annum. A **\$164,000** increase currently for 2013. I can produce these figures if requested.

*If the council is serious in making this a user pay facility, can we ignore this **\$164,000**?*

- **Wharfage and Berthage system**
 - To implement a wharfage and berthage system at the main wharf there are two methods how this can be achieved;
 1. A high quality security camera system and bill of lading that puts the onus on the vessel's skipper. This system can be implemented straight away.
 2. A high quality camera system and security system with electronic weighbridge. I have prices for this option, but would require some updating.
- **Future wharf development**
 - I feel this is not required in the foreseeable future if we use the north and south ends of the main wharf.
 - This would give us an extra 50metres of wharf, giving a grand total of 170 metres of wharf frontage.
 - Only minor modifications needed at no capital cost.
 - If we upgrade the old wooden wharf area as in the development plan report, this would give us only an extra 70m of wharf space at the cost of \$2,000,000 plus. The port would need to raise the capital to build this new facility.
 - One suggestion I would like to make is perhaps a small section of the old wharf could be converted to a fishing platform for the public of Golden Bay that is protected and safe to fish from.
 - The position of the fishing platform proposed in the development plan I believe is not suitable on the northern breakwater as our severe weather comes from the

north and would destroy the structure and be unsafe (large armour rock on the outer northern breakwater have been shifted by storm action.)

Boat Ramp

- I do not believe that the boat ramp should be shifted.
- It is in the most sheltered position in the harbour for recreational boaties
- To shift it to where suggested in the report would make it unsafe because of the prevailing wave action.
- As for boat and trailer parking, it is only on a few days of the year that it is full to capacity and cars and trailers need to park elsewhere. This I believe is a management problem.

Future Marina Development

- This work has been completed by M.W.H. Consultants for an 80 berth marina in the outer eastern wall area. I believe this to be the most suitable area and would concur with the recommendations in the port's development plan.

I am happy to discuss any of the information contained above if required.

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tasman
district council

Feedback Form for Draft Port Taranaki Development Plan

Submitter details (please print clearly):

Your name: Cherie Hansen
 Your postal address: Street: 30 Bay Vista Drive
 Suburb: Pohara
 Town: Takaka Golden Bay Postcode: 7183
 Your daytime phone number: 035259169
 Your email address: n.g.hansen@ta.co.nz

Are you giving this feedback as: an individual or on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Your comment on the Port Taranaki Development Plan
(please continue overleaf if you require more space):

If the price of Berthage
goes up as a Small Commercial Fishing operator
we will be forced to take our Fishing vessel
elsewhere which would be a great inconvenience

Please send your feedback to:
 Feedback on Port Taranaki Development Plan
 Tasman District Council
 Private Bag 4
 Richmond 7060

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttaranaki@tasman.govt.nz or fax to 03 543 8560. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz/>).

We need to receive your feedback by 4.00 pm Thursday 28 November 2013.

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Your Contact Details

Title

Mrs

First Name

KRISTINA LEE

Last Name *

MEIKLEJOHN

Address *

111 LONG PLAIN RD

Suburb

KOTINGA

Town *

TAKAKA

Postcode *

7183

[Find your correct postcode](#)

Daytime Phone Number

03 525 7416 OR WORK 03 525 9383

Mobile Phone Number

027 343 7542

Email Address *

thegroostaglobe.net.nz

You will be emailed a copy of your submission.

Organisation

PORT TARAKOHE TAKAKA

If you are submitting on behalf of an organisation, please indicate your position and the organisation.

Position

BOAT CLUB MEMBER / BERTH HOLDER

Your Feedback

Enter your comments in the box below. You can also attach a file (such as a Word document, or a PDF) that details your submission.

Your comments *

I AM OPPOSED TO THE PROPOSAL OF HIGH / EXTREME INCREASES IN FEES. MY BERTHED BOAT IS ALREADY FOR SALE. PORT TARAKOHE USERS WILL GO ELSEWHERE. EXEMPTION FOR EXISTING BERTHS + MOORING HOLDERS IS ESSENTIAL.

Attach a file

Browse...

Submit

K. L. MEIKLEJOHN



Popular

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Feedback Form for Draft Port Taroako Development Plan

Submitter details (please print clearly):

Your name: William John Wauah
Your postal address: Street: 622 Abel Tasman Dr
Suburb: Ciffon
Town: Takaka Postcode: 7183
Your daytime phone number: 03 5258129
Your email address: _____

Are you giving this feedback as: an individual or on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Your comment on the Port Taroako Development Plan

(please continue overleaf if you require more space):

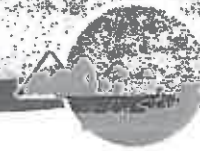
Having seen the agreement by Golden Bay Cement Co
with the Golden Bay Boat Club that there would be
no charge for the Pump Ramp. Shown to me by
Mr Jack Smith (late Mr J.C. Smith)
I have spent time to help build the Pontoon and
have not been part of the Boat Club.
I have spent many hours fishing in the Bay and
spent the last part of my working life in the Bay
as a water sampler.
I feel that the present costs to launch a Boat
excessive and the proposed increase too much.
and would not use the Ramp.

Please send your feedback to:

Feedback on Port Taroako Development Plan
Tasman District Council
Private Bag 4
Richmond 7050

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttaroako@tasman.govt.nz or fax to 03 543 8560. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz/>).

We need to receive your feedback by 4.00 pm Thursday 28 November 2013.



Feedback Form for Draft Port Taranaki Development Plan

Submitter details (please print clearly):

Your name: Naomi Claire Waugh
Your postal address: Street: 622 Abel Tasman Drive
Suburb: Clifton
Town: Taranaki Postcode: 7183
Your daytime phone number: 03 52 58129
Your email address: -

Are you giving this feedback as: an individual or on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Your comment on the Port Taranaki Development Plan
(please continue overleaf if you require more space):

As a individual who has been raised in Golden Bay
I feel that to raise the ramp fees would create a
financial hardship for the families who have used and
still use the ramp for launching pleasure craft.

Please send your feedback to:
Feedback on Port Taranaki Development Plan
Tasman District Council
Private Bag 4
Richmond 7050

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttaranaki@tasman.govt.nz or fax to 03 543 8580. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz/>).

We need to receive your feedback by 4.00 pm Thursday 28 November 2013.

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tasman-
district council

TASMAN DISTRICT COUNCIL
27 NOV 2013

Feedback Form for Tiraiki Port Tarakohe Development Plan

Submitter details (please print clearly):

Your name: Gabrielle McKay
 Your postal address: Street: P.O. Box 121
 Suburb: Takaka
 Town: Golden Bay Postcode: 7147
 Your daytime phone number: 5257085
 Your email address: McKay.gabrielle@gmail.com

Are you giving this feedback as: an individual or on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Your comment on the Port Tarakohe Development Plan

(please continue overleaf if you require more space):

I have just purchased a 29 foot boat and have ^{advised} ~~advised~~ the wharwh manager that I require a mooring. I have been part of a family that uses the port regularly and access to a safe port is very important. I don't mind paying a fair share of port costs for mooring services but I don't see I should be subsidising the mussel industry. Each sector should pay their way depending on how much they use the services and how much they contribute to the wear and tear at the wharf. The reserve is important to Golden Bay and I'd like to see it developed and our rates should be paying for that. Its important that the port stays public ownership.

Please send your feedback to:

Feedback on Port Tarakohe Development Plan
 Tasman District Council
 Private Bag 4
 Richmond 7050

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttarakohe@tasman.govt.nz or fax to 03 543 8560. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz/>).

We need to receive your feedback by 4.00 pm Thursday 28 November 2013.



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tasman
district council

Feedback Form for Draft Port Tarakohe Development Plan

TASMAN DISTRICT
COUNCIL
27 NOV 2013

Submitter details (please print clearly):

Your name: Dawson McKay
 Your postal address: Street: P.O. Box 121
 Suburb: Takaka
 Town: Golden Bay Postcode: 7142
 Your daytime phone number: 5258046
 Your email address: _____

Are you giving this feedback as an individual or on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Your comment on the Port Tarakohe Development Plan
(please continue overleaf if you require more space):

I have lived in Golden Bay all my life. Tarakohe is my family's recreation ground area. I own a boat, do fishing and want the council to recognise how important the port is to locals and visitors. I would rather see my rates going into this port than many other reserves, swimming pools and sports grounds that we never use. Some of our voters should be looking after our recreation fishing spots.

Please send your feedback to:
 Feedback on Port Tarakohe Development Plan
 Tasman District Council
 Private Bag 4
 Richmond 7050

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttarakohe@tasman.govt.nz or fax to 03 543 8560. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz/>).

We need to receive your feedback by 4.00 pm Thursday 28 November 2013.



Feedback Form for Draft Port Tarohe Development Plan

TASMAN DISTRICT COUNCIL
20 NOV 2013

Submitter details (please print clearly):

Your name: Barry Tomeroy
Your postal address: Street: 237 Palau Rock Rd.
Suburb: _____
Town: RD 2 Tarohe Postcode: 7582
Your daytime phone number: 03 5358671
Your email address: barrytom@iinet.co.nz

Are you giving this feedback as: an individual on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Your comment on the Port Tarohe Development Plan
(please continue overleaf if you require more space):

The financial model that is ^{proposed to be} being used is seriously flawed. If this proposal goes forward, you will have the most expensive marina in the top of the South with the least amount of moorings. Also your relationship with the Palau Boat Club would be seriously jeopardised. A total disaster with the development plan as it has been presented.

Please send your feedback to:
Feedback on Port Tarohe Development Plan
Tasman District Council
Private Bag 4
Richmond 7050

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttarokohe@tasman.govt.nz or fax to 03 543 8560. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz/>).

We need to receive your feedback by 4.00 pm Thursday 28 November 2013.

Feedback Form for Draft Port Tarakohe Development Plan

TASMAN DISTRICT
COUNCIL
26 NOV 2013

Submitter details (please print clearly)

Your name: PETER WOODS
Your postal address: Street: 10 HAILE LANE
Suburb: POHARA
Town: TEKAKA Postcode: 7183
Your daytime phone number: 03 525 9804
Your email address: woods.pam@i.e.oxia.co.nz

Are you giving this feedback as: an individual or ~~on behalf of an organisation~~

If an organisation, please name the organisation and your position: _____

Your comment on the Port Tarakohe Development Plan
(please continue overleaf if you require more space):

I am writing in support of the Pohara Boat Club submission, I would also note that the commercial fishery is most important to Golden Bay as is the amateur fishery especially the scallop fishery which seems to be recovering. I strongly urge that Council do not jeopardise the current amateur facilities and the stability of the Boat Club

Please send your feedback to:
Feedback on Port Tarakohe Development Plan
Tasman District Council
Private Bag 4
Richmond 7050

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttarakohe@tasman.govt.nz or fax to 03 543 8560. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz/>).

We need to receive your feedback by 4.00 pm Thursday 26 November 2013.



Feedback Form for Draft Port Tarakohe Development Plan



Submitter details (please print clearly):

Your name: DAVID ROBERT MARTIN
 Your postal address: Street: 41-80 Podson Rd
 Suburb: R.D. I TAKAKA.
 Town: _____ Postcode: _____
 Your daytime phone number: 0220910039
 Your email address: _____

Are you giving this feedback as: an individual or on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Your comment on the Port Tarakohe Development Plan
 (please continue overleaf if you require more space):

The "Draft Plan" concentrates on Port Tarakohe as an economic
asset. T.D.C. needs to consider seriously the Port as a community
one. The Plan should not be implemented, until a report on its
continuing as a community asset is commissioned. If this is
not done ordinary citizens will be unable or unwilling to
keep using the port's recreational facilities, and ^{it} might as well be sold!

Please send your feedback to:
 Feedback on Port Tarakohe Development Plan
 Tasman District Council
 Private Bag 4
 Richmond 7050

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttarakohe@tasman.govt.nz or fax to 03 543 8560. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz/>).

We need to receive your feedback by 4.00 pm Thursday 28 November 2013.

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tasman
COUNCIL
district council

27 NOV 2013

Feedback Form for Draft Port Taranaki Development Plan

Submitter details (please print clearly):

Your name: KEE BAIGENT
 Your postal address: Street: NO 2 EAST TARAOKA Rd - R.O.I.
 Suburb: CENTRAL TARAOKA
 Town: TARAOKA Postcode: 7183
 Your daytime phone number: 03 525 9937
 Your email address: _____

Are you giving this feedback as: an individual or on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Your comment on the Port Taranaki Development Plan

(please continue overleaf if you require more space):

I am concerned about the W.H.K. consultation report for Port Taranaki. Being a casual user of the boat ramp, I do not agree with the projected ideas. I am one of the few builders of the boat launching ramp still alive. Knowing the plans and specifications of the design and placement of the ramp within the wharwharf, it was placed in its present spot from wave surge and windage. Windage being a big factor when retrieving craft. Shifting the ramp would be a complete waste of money and would mean a lot more expense. Dredging to deepen approach and stave off sea, like exposure to windage and wave surge. This would also create massive forking hollows, the present area is barely adequate at holiday times. This could be cheaply expanded to R.O.I.

Please send your feedback to:

Feedback on Port Taranaki Development Plan
 Tasman District Council
 Private Bag 4
 Richmond 7050

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttaranaki@tasman.govt.nz or fax to 03 543 8560. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz/>).

We need to receive your feedback by 4.00 pm Thursday 28 November 2013.

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The South West by a few metres (approx 10m) I totally disagree with the suggested pricing for the ramp use. The ramp fees are making a decent income associated area. Amateur fishers even have to pay for boat wash water. There is very little maintenance cost towards the ramp and I believe the boarding platform is owned and maintained by the boat club, if not the costs of removal for maintenance and cleaning are not huge and would not make a dent in the ramp fees.

Being an amateur fisher - boater - sport I think the present fees are making a more than decent contribution to the harbour.

Amateur fishing is possibly a sports activity and should be addressed as such. The T.D.C council does not seem to have any problem giving Rate Payers' money to Libraries, Arts, drama, sports. So perhaps could pay a contribution to the harbour funds.

The main problem appears to be insufficient charges for the commercial users. The marina users seem to be paying plenty of fees. The many times the T.D.C has had reports commissioned has cost many thousands of dollars for no use and have been a big debit on the harbour accounts.

Amateur, Sports fishers - public were not consulted by WTK.



Feedback Form for Draft Port Tarakohe Development Plan

Submitter details (please print clearly):

Your name: ROB RILEY
 Your postal address: Street: 16 NGATITAMA ST
 Suburb: _____
 Town: NELSON Postcode: 7010
 Your daytime phone number: 546 8384
 Your email address: 949 16 0 TATA.CO.NZ

Are you giving this feedback as: an individual or on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Your comment on the Port Tarakohe Development Plan (please continue overleaf if you require more space):

- 1) Changes need to be same as Nelson
- 2) Parking not an issue
- 3) FID plan form not needed
- 4) Forcing people to go to TATA would create chaos. TATA would not cope.

Please send your feedback to:
 Feedback on Port Tarakohe Development Plan
 Tasman District Council
 Private Bag 4
 Richmond 7050

Or drop your feedback into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your feedback to: porttarakohe@tasman.govt.nz or fax to 03 543 8580. Feedback forms are available for download from Council's website (<http://www.tasman.govt.nz>).
 Try → Fax → 03 543 9524

We need to receive your feedback by 4.00 pm Thursday 28 November 2013.

Website Submission - Draft Port Tarakohe Development Plan

Your Contact Details

Title *

Mr Alan Vaughan
20 Hiawatha Lane
Takaka 7110

Daytime Phone Number

03 5256031

Mobile Phone Number

Email Address *

ongaio@xtra.co.nz

Organisation

Position

Your Feedback

Your comments *

The WHK report appears biased towards a totally commercial role for the port when in fact it is a community asset used by a wide cross section of the Tasman community and also by people from much further afield. The value of this asset to the community should be recognised by a small rates contribution from all district ratepayers. Those out-district users will escape this nominal contribution to the maintenance of the port but I feel confident that better brains than mine WILL devise a way to catch them. Council needs to resist threats from the industry players to land fish elsewhere if port charges increase but with the aquaculture sector planning significant increases in backbone line deployment they will need the space and convenience of Port Tarakohe for their operations.

A greater effort needs to be made by Council to recover costs evaded by some commercial operators in the past in an effort to wipe the accumulated debt.

Council should not expect a financial return over and above the running costs of the port.

Recreational fishers and boat users should expect an annual increase in their charges but they should whenever possible be kept in line with other port recreational charges in the top of the south island.

I believe it is short-sighted of past councils to have turned down requests for space to establish a hospitality component of the port. There would be no financial liability falling on Council as this risk would be carried by the hospitality sector itself. Given time it could well become a popular as is the case in many other small ports around the country and add an ambience to the area so long missing.

Currently, the port is divided into east(commercial) and west(recreational). This should be retained as it provides at no extra development costs, the opportunity for recreational non boat users to sit and fish and stroll and enjoy the uplifting aspects of being in effect, out in the water.

I will make a further submission before the January cut-off date.

Alan Vaughan

Just Mussels Ltd

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PO Box 183

Nelson 7040

28/11/13

Proposed Port Tarakohe Development Plan

Feedback on "fees and Charges" component of the Port Tarakohe Development Plan from Rob Pooley owner via different entities of water space in Golden and Tasman Bay

1. I have never been opposed to paying fees and charges for using Port Tarakohe on a fair and equitable basis, however the methodology needs to be transparent and reflect fair value. I find it incredulous that after paying a voluntary line levy in good faith for all these year (Three Mayors three CEOs!) I am now faced with the proposed grossly unfair and offensive proposal
2. In my view the model has arbitrary and "political" elements in it its not acceptable to me or my businesses.. I need a clear, transparent and construed formula that provides me, and for that matter Council long term certainty.
3. The model used by TDC in developing the fees and charges is a variation of the MFA/PMNZ model which as you know MFA negotiated, fine, but the main difference being the valuation of the existing assets. The MFA model uses historic cost of assets prior to implementing the charging regime. The TDC model uses a replacement cost (revaluation).
Marine farmers do not agree with the use of replacement cost because
 - a. It does not reflect "real" value of the asset and
 - b. In the case of Tarakohe it is over spec and not fit for purpose
4. It is common knowledge what the historical cost of Port Tarakohe was and I ask that Council admit that with the exception of the berths (self funding) there has no beneficial upgrades for the marine farming industry
5. Other matters included in the model which make it even more unacceptable to me as a marine farmer include
 - Depreciation charges
 - Council charges (HO costs excessive)
 - Loan repayments (included in calculation)
 - Payment of assets to be made over 20 years not the life of the assets in the books
6. The facility itself must be safe for purpose as well as fit for purpose. The existing wharf structure is not safe for staff and vessels used by the mussel industry, it was after all built for 1000-1500t coastal vessels

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7. To improve the model consideration should be given to
 - The impacts of industry growth and economy of scale
 - Staging any increase in charges to minimise customer impact
8. As the model and fee structure currently stands I prefer the wharfage charge at \$15.00/tonne rather than the line levy proposal of \$2.16/m/a which is arbitrary and politically compromised.
9. I am bemused as to how your consultant can arbitrarily ratchet up the value of the Port Assets. I recently brought a vessel back into my business at a cost of \$250, the replacement value is closer to \$2m but I cannot morally adopt the replacement cost and then charge out accordingly. The rate to my clients would be outrageous, just like TDC's proposed charges.

If there is an opportunity to speak to this issue I would welcome it

I also formally endorse the submission from MFA, Golden Bay Marine Farmers Consortium and the Ringroad Companies

Yours Sincerely
Rob Pooley

Website Submission - Draft Port Tarakohe Development Plan

Your Contact Details**Title ***

Mr Paddy Gillooly
6 Tasman St
Collingwood 7054

Daytime Phone Number

03 52 48 257

Mobile Phone Number**Email Address ***

Paddy@farewellspit.co.nz

Organisation

Golden Bay Promotion Association

Position

Chairman

Your Feedback**Your comments ***

Port Tarakohe is a vital part of Golden Bay's infrastructure.

Not only for commercial users but recreational as well.

It is a safe launching facility and is an important part of the visitor experience for many visiting boaties.

The Port must continue to be affordable for users, but with all users paying their fair share. Whilst being administered in a way consistent with the original intent of the Council taking over the ownership of the Port.

With proper planning the Port will have a major benefit to Tourism, Aquaculture, Commercial Fishing. and other commercial activities.

Website Submission - Draft Port Tarakohe Development Plan

Your Contact Details

Ms Nicola Basham
8 Beach Road
Collingwood 7073

Daytime Phone Number

03 5248 733

Mobile Phone Number

Email Address *

nicola.basham@xtra.co.nz

Organisation

Position

Your Feedback

Your comments *

I do not support a targeted rate for Golden Bay as Pt Tarakohe is a district asset and is used by ratepayers and tourists from afar. Golden Bay is already paying towards facilities and assets across the district – facilities we are far less likely of benefitting from or using, due to our geographical location.

- The port should be user-pays – with the largest commercial beneficiaries being the major contributors. While we support our commercial users, some of whom do not reside in Golden Bay, it must be remembered that the resources they benefit from are owned by all, or more appropriately, none of us – a privilege that needs to carry an equitable compensatory cost.
- Marina charges – I think that commercial vessels should pay more than recreational vessels due to the heavier use of wharf facilities and services. We consider the current suggested fees are too high for marina users – and that negotiated incremental cost increases would be fairer. We have concerns that too steeply increased recreational marina user charges may be edging out lessees in favour of commercial interests. If this is indeed the plan, an alternative marina should be provided for recreational purposes. Marina users should not be charged more than any of the other top-of-the-south marinas considering the limited facilities available, however we support a reasonable and fair increase to charges. We accept the revaluation for insurance purposes but all other modelling needs to be based on historic cost regarding depreciation.
- With respect to the Pohara Boat Club which was built by the community and with generous community input, we ask that the lease be renewed 'as of right' in 2019 – and confirmed in writing at this point.
- The local purpose reserve area in the vicinity of the boat club should be kept free of port-related/fishing/industry storage but the Community Board would actively support complementary commercial retail in this area eg seafood restaurant, café, boat supplies, chandlery etc. We are aware the WHK report does not make provision for such activities – probably due to the need for a noise/odour/emanations buffer-zone for commercial activity – however, there is no reason that all components cannot co-exist with 'prior use' understanding.

- There needs to be a more reliable form of weighing all product coming over the wharf as this seems to be where the major contention regarding charging lies. We support the installation of a weighbridge to correctly monitor all incoming product rather than relying on guesswork and 'honest' reporting. It is common knowledge that some outsider mussel farmers have been using Pt Tarkohe as a port to land their product without paying – these historical accounts need to be paid rather than current users of the port being asked to fund the shortfall.

Website Submission - Draft Port Tarkohe Development Plan

Your Contact Details

Title *

Mr Chris Charlton
1202 Abel Tasman Dr
Ligar Bay
Takaka 7182

Daytime Phone Number

033275335

Mobile Phone Number

0273884400

Email Address *

ccrc@xtra.co.nz

Organisation

Position

Your Feedback

Your comments *

I have a long and close association with Golden Bay. I was born here and went to school in Takaka. My father worked at the Golden Bay Cement works before becoming ill and my mother was on the Golden Bay County Council. Tarkohe has left a large legacy on the community, some of it good some of it not so good. I have a very good understanding of business and have interests in investments, Commercial, Residential Property and assets in New Zealand and overseas. I have a personal desire to protect the future for the future generations and want to ensure that all people in Golden Bay, (Visitors included) can have the opportunity to under take recreational activities associated with our Maritime environment. I am also happy to invest in philanthropic way in Golden Bay and am currently negotiating the purchasing forestry properties in Ligar Bay for the establishment of a Soil Conservation/Recreation Park trust.

I would like the council to consider the following aspects of this process.

1 Consultation.

1.1 The process has not meet with the requirements of consultation as required buy the local Government act 2002.

1.2 The wider community and particular absentee rate payers and visitors have not been given the opportunity to place feed back.

1.3 The length of time given for the feed back period is not sufficient and that all the information requested from the council has not been made available.

1.4 It evident from the minutes of the Commercial Subcommittee that the council has not entered into open consultation. (Councilor King advised that the Council will support the staff recommendations regarding charges) Tasman District Council

Minutes of Corporate Services Committee-07 November 2013.

1.5 To state the Port is a monopoly is to influence the out come as to consultation. It implies we will charge what ever we like.

1.6 To state in the Agenda that if one group pays less the others will pay more applies prejudice to the out come of consultation.

The council must postpone the decision and adopt an open approach to allow for out comes consistent with fair and proper consultation.

2 The requirement to provide recreational opportunities.

2.1 The principle agreement of Fletchers selling the Port Tarakohe was at a price that compensated the people of the district and gave them the opportunity for accessing the marine recreation environment.

2.2 The port needs to separate its commercial function and it recreational function. It is logical to have physical separation as well as accounting.

2.3 Yachting, sailing, boating fishing are one of the most participated recreational and leisure sports in New Zealand and is critical to communities well being. "It would be an extremely poor reflection and embarrassment to the council if this was to be disputed, with strong advocacy from a national sports administration and Government level", Quote Dave Abercrombie of Yachting NZ

2.4 The figures in the WHK report reveal that recreation sailing and yachting will be lost to make way for commercial boats. Due to price increase the recreation boats are have calculated to be reduced to ¼ of present levels.(from 290m to 80 m). The intention to make recreational berths available through pricing is well recorded in your minutes.

2.4.1 It is also a lost opportunity where you have a potential customer base lost.

2.5 The pricing methodology is considered appropriate for commercial use. However you have obligations under the following to ensure that your pricing for community well being and recreational use is considered to be fair and reasonable.

These include the Local government Act 2002

The New Zealand Government audit office.

TDC Policy and Strategies contained with in your published documents.

2.6 There are a number of local authorities around New Zealand who recognize the importance of their recreational marina facilities and have funding policies in place to reflect a 70% user pays and 30 %funded. Basing their pricing on historical values rather than replacement

2.7 A Fair Market price must be used and to do anything else is asking the user for to subsidize. Shifting subsidize from rate payers to a smaller group of users will be contestable. However more importantly the business issue's will not go way and in fact will be exacerbated. The fees currently charged are in excess of the level of service provided. In fact there is a strong case that you have been over charging.

2.8 Address costs and look at comparable marina costs

2.8.1 The cost break down is lacking in detail (this has been requested however not received at the time of writing). Example mowing of reserve and cleaning of public toilets is quite clearly a reserve cost.

2.8.2 The operational cost allocation method is not robust using at best a guess of Harbormasters time allocation.

2.8.3 Use of greater community input to reduce costs. Example Motueka Power Boat club marina fees. Compare Fee per meter is \$230 plus GST with operating expenses of \$49,000.00 at Motueka Port Tarakohe.

2.9 Port Tarakohe is a monopoly and there is no other facility in Golden Bay that is capable of providing similar safe recreational opportunities. The requirement for the provision of recreational facilities and the fair cost recovery methods are well covered in acts of Parliament and in your plans and policy documents.

Leave current marina recreation berths as they are, deal with the issues and work with the users and community to achieve cost savings.

3.0 Council Coastal structures policy and expenditure.

3.1 The TDC has 28 boats ramps listed on its web site (11 in your asset list) of which 4 are listed as user pay. The Kaiteriteri boat ramp is not listed as an asset by the TDC and is run by the Kaiteriteri Reserves Board. The other 2 boat ramps Collingwood and Mapua are club run and produce minimum revenue. That just leaves Tarakohe as the only true user pays ramp.

3.2 It should be noted that the Tata Beach Ramp has been taken back by the community and has been repaired via the Tata Beach and Ligar Bay Communities as a result of the council unwillingness to fund repairs. The funds that were generated by the community were well in excess of the repairs.

3.3 TDC Forecast operating and maintenance Coastal structures lists 8 specific structures (no Golden Bay Structures) with a total expenditure of \$5,53100.00 over the next 19 years.

3.3.1 TDC Forecast of new capital works coastal structures lists 8 specific structures (no Golden Bay structures) with a total expenditure of \$3,647,00.00 over the next 19 years.

3.3.2 While it is acknowledge that there is cost recovery from targeted rates for part of the expenditure in 3.3 and 3.3.1 the vast majority of the funds required will come for the general rates and of which Golden Bay will contribute. Allocation of the rates proportion provided by Golden Bay used is available directly from the funding input by the marina users at Port Tarakohe.

3.3.3 It would appear that the user's recreational use of port Tarakohe is only considered by the TDC in the fact that they can generate income. It is contestable that this income is not fair and reasonable and that it is used as subsidies other activities in the port and in fact other council activities by association that there is rate payer funds

are not intended to be used in the port.

3.3.4 It is interesting to note that in your revenue for coastal structures you included the fees structure for Port Tarkohe as a source of income the rest of Tarkohe is in a separate AMT.

3.3.4 The relationship of the Port Tarkohe boat Ramp and other boat ramps is of particular relevance as it gives a point of benchmarking marking costs and fees across a similar range of assets in the TDC. It is without sound logic to state that the Port Tarkohe boat ramp costs are \$28,500.00 PA when compared to the costs of ramps across the TDC.

3.3.4 To equate fairness should the pricing methodology be used against all recreational assets across the TDC to determine charges.

3.3.5 Your Port Tarkohe high portion of your operational costs as outlined in your AMP, are indirect costs and a significant portion relate directly to the commercial use. All your capital expenditure relates to commercial. Given the position of zero rates input this implies that recreational users financial input is used to support commercial operators.

3.3.5 It is highly contestable that you have been overcharging Recreational users at Port Tarkohe and there is sufficient evidence you are unable to apply the proposed valuation and charging methodologies to recreational activities.

4 The Way Forward Recreational and Community.

4.1 Ask the community what they want from Port Tarkohe what they see as valuable and the future and establish if they want to retain the commercial part of the wharf given that they may be required to fund both maintenance and development.

4.2 Charge a fair market price for recreational users based on other similar facilities owned by the TDC and the Nelson region.

4.2.1 Encourage the recreational use of the port and have development opportunities that will follow in employment and community.

4.1.1 Charge the commercial users a commercial rate balanced on what you supply.

4.2 Work with user recreational groups and get buy in from them to become self supporting.

4.3 Share the benefits of the Aquaculture returns throughout the district.

4.4 On a business level bring groups together and establish common ground get compromise and ownership of the problems, work on win win. May seem a little simplistic however when the big picture is as complicated as this start with the small achievable aspect

Footnote the points raised in this feedback may form the basis of a legal challenge however any legal action may also include matters that have not been raised in this feedback. The feedback has been reviewed by a Barrister prior to submitting.

Website Submission - Draft Port Tarakohe Development Plan

Your Contact Details

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Organisation**Position****Your Feedback****Your comments ***

I can see that Tarakohe is in a difficult situation financially and the solutions are not easy. I think there is a fair charge for mussel lines, and it should be related to the quantity and quality of mussels landed, but be within reasonable comparison to charges in other areas such as Marlborough Sounds.

I think amateur fishers and marina occupiers should also be charged a fair and reasonable berthage, the same being for users of the port to launch their boats.

I don't want to see the area around the Boat Club rooms alienated by commercial interest. That whole area is incredibly beautiful for its views of the bay. The Club Rooms are really important to the community for functions, one of the nicest places in the Takaka/Pohara area to hold functions, with incredibly beautiful views from the windows and balcony and for viewing the sunset. I don't know any other place in the Takaka area that so successfully fills the needs of the local community for functions. The walk out beyond the Club Rooms is magic. All these small, special places in Golden Bay add up to a magic experience for people holidaying in the bay. For safe guarding our community's interest and need for Tarakohe to be secure and well managed, a targeted rate is the only way I can see to do this, beyond fair charging to users.

I therefor think that the community should pay on a reasonable targeted rate for the security of retaining the port in good condition and well run. The road over the hill is our life-line. If the road goes out, we will need to travel by air or water. We are also very dependent upon Tourism to sustain our local economy and Tarakohe contributes to this. I also think there is potential for more future enterprise using the port to develop tourism.

I'm sorry that past mismanagement has reputedly created an unsustainable debt because users of the port were not paying their way.

I'm sorry that the door closed to developing a Pohara community and tourism centre when the TDC sold the area at the entrance to the quarry to Talleys without consulting with this community. It was a huge and historic loss to our community which closed off an important opportunity for community and economic, small scale development. I still feel unforgiving that this happened.

I understand that the cost of keeping a harbour master equates with a large component of the annual deficit. Are there ways of reducing this cost and still maintain good quality management?

I guess these are some of my thoughts. Tarakohe is such an important and precious part of our community.

TARAKOHE HARBOUR DEVELOPMENT PLAN

Lindsay Campbell

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27 November 2013.

To Whom It May Concern

The TDC Port Tarakohe Development Plan can be seen at: <http://www.tasman.govt.nz/policy/public-consultation/draft-port-tarakohe-development-plan/>

This proposes, among other things, a doubling of the boat ramp charge, and the movement of the ramp and floating dock.

As you would expect, this is far from acceptable to the Pohara Boat Club and its members.

The Club's has filed a submission, which on the cost of boat launching, includes the following:

PBC considers the proposed changes to be excessive and fundamentally incorrect. Surveys of members have shown that usage will fall by up to 80%. People launching boats will instead use the newly consented (by TDC) free boat ramp at Tata beach.

This is where Tata Beach residents might wish to become involved. While the 80% figure may be on the high side, if all these changes go through, some of the PBC members or casuals are very likely to use Tata, which would have negative effects:

- The ramp is not all-weather as is Tarakohe, meaning that safe boat retrieval cannot always be guaranteed. This would lead to increased risk to both persons and property. This risk will increase in proportion to increased use.
- The parking area for boats and trailers at Tata Beach is already inadequate on days of high usage and this would get very substantially worse.
- While some Tata residents, post launching, may be able to park vehicles and empty trailers on their own properties, this possibility would not be available for non-residents.
- Unlike Tarakohe, the Tata ramp and parking area is extensively used by the general public as the main access to the beach. As a result, the risk of an accident especially to small children, who are often unsupervised, would become unacceptable.
- Tata residents simply do not want the advantages of what is a well known and much used beach ruined by the extensive intrusion of boats and trailers from other areas, with all the likely repercussions, as above.

Yours faithfully

Lindsay Campbell

Website Submission - Draft Port Tarakohe Development Plan

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Organisation**Position****Your Feedback****Your comments ***

I am concerned that this proposal is being mooted without a full report on its likely impact to residents in Golden Bay, in particular those living on that side of the Bay. For example, further development of the commercial side may increase large truck and trailer movement through Pohara. Similarly, if further changes to the road layout is required, how will this impact the landscape values of the cliffs? How much will the development add to employment or impact tourism?

On the other hand, any reduction on subsidies from TDC would be welcome because of the pressure on rates. Similarly, added employment would be valuable.

Perhaps if people living in Pohara and Ligar Bay are strongly opposed to further commercial development because of its impact on their lifestyle, then they should be prepared to pay through a targeted rate for that side of Golden Bay (but not over all Golden Bay residents).

Please proceed with caution!

Website Submission - Draft Port Tarakohe Development Plan

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Organisation

Nelson Marina Berth Holders Assn. Inc.

Position

Chairman

Your Feedback

Your comments *

1. The clear majority of maritime activity in the (Tasman) District is recreational boating, followed by marine tourism and inshore commercial fishing. (Source: TDC submission to Transport and Industrial Relations Select Committee on Marine Legislation Bill, dated 10 Oct. 2012).
2. The current Marina is full and there is little availability of berths for visiting boats.
3. There are over 500 boats in Nelson Marina, many of which cruise to Tarakohe. When there, the skippers, crew and passengers usually support local enterprises such as the facilities offered by the Pohara Store and the cafes and restaurant. Many of the boats are owned by residents of Tasman District.
4. The "top of south" lifestyle is highly focused on outdoor recreation. Recreational boating is a popular and expanding form of recreation. When the skippers, plus their friends, relatives, neighbours, workmates and others who participate are all included, a large proportion of the population of Tasman District enjoy this form of recreation. Many votes are at stake.
5. WHK's draft report to TDC on Port Tarakohe proposes a reduction of recreational Marina berths from 290 lineal metres to 80 lineal metres, and an increase

in rate from \$255 pmpa to \$507 pmpa.

6. TDC should be doing more to promote recreational boating. At present marinas and launching ramps are controlled by TDC's Engineering Services Committee. They should be under Community Development along with other forms of recreation. Costs should be subsidised as for other forms of recreation.

7. The WHK report contains a number of errors. For example, it incorrectly states the recreational Marina fees for Nelson. The correct rate is \$228 pmpa, plus gst. A proposal to increase fees by 15% was overwhelmingly defeated in 2011.

8. In cases where Marina fees have been substantially increased there has been an exodus of boats. e.g. Havelock.

9. The WHK report relies on a model which is inappropriate for recreational facilities. There is no evidence that capacity various activities has been optimised. The interest rate used should be the Marginal Cost of Capital.

10. Commercial interests that require expanded facilities should bear the cost of expansion.

11. The WHK Draft Report should be returned to the consultants, corrected, and peer reviewed before being brought back to Council.

12. Fees for recreational boating should be reduced, not increased.

Website Submission - Draft Port Tarakohe Development Plan

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SUBMISSION ON THE PORT TARAKOHE DEVELOPMENT PLAN

THE MARINA AND BOAT RAMP ARE RECREATIONAL FACILITIES

The "Port" consists of a marina (berths & moorings), boat ramp/compound, and a wharf solely for commercial usage. Currently two thirds of "Port" income is from the marina and the boat ramp/compound. The majority of the revenues of the marina are from recreational usage. The vesting act of parliament 1995 clearly states the "Port" is vested to the Tasman District Council for "recreational and commercial" use. Sailing, boating, fishing are the most popular sports in New Zealand. Our coast guard function, waka ama and many other core community activities of a sea-based community are centered at our Port. The whole southern arm of the Port is zoned as a recreational reserve. A key driver of our local economy is the summer tourism business, the Port is an integral part of that - safe boat launching, visiting recreational yachtes, fishing charter hire, coast guard & harbour master functions are all based at the Port. There is absolutely no doubt that the services provided at Port Tarakohe relate directly to the **Councils legal requirement to provide core public services** to support Golden Bay's recreational, community and economic activities.

The Local Government Act (sec 11A) provides a legal obligation on Councils to provide core services, and specifically states these include, et al, the provision of recreation and community assets. How much a council can charge for these services is governed by the Auditor General, under the **Government Audit guidelines**. This process is designed to ensure Councils' deliver sec 11 A services at a fair price. It recognizes that councils are in a monopoly situation and therefore have a duty to **deliver the service at the least cost**. These requirements are purposefully onerous on Councils. The Government Audit guidelines do not allow for Councils to achieve a commercial rate of return on recreational assets, and they have very strict controls on what type and level of

expenditures can be recovered by Councils in the price charged for these services. It is very unlikely for example that the level of TDC's overhead charges (2013 \$72,000 p.a.) and professional fees (2013 \$30,200) plus other charges to the community marina meet the strict requirements of these guidelines and stand up to a challenge under the Local Government Act 2002 in a court of law.

I submit that the proposed charge increases at Port Tarakohe are clearly **in breach of the Councils legal requirements under the Local Government Act and the Auditor Generals' guidelines** on public service charges governing regulations, and the spirit of fair pricing for public service charges in New Zealand. .

MARINA SELF FUNDING AND THE RATES SUBSIDY

Council has stated that the annual Port Tarakohe cashflow deficit is being funded by a **subsidy from the general rates of \$100,000+ per year** and need to address this.

At the annual meeting of the Tarakohe marina association, members unanimously accepted that the users of the marina should pay a fair price for their use of the community marina. The current marina berthage rate (following the increase on 1 July 2013) of \$266 per metre is the same as that charged by the marina run by the Nelson CC, and higher than the \$230 p.m. charged by the Motueka marina, owned and operated by a range of local clubs (the Mot Power Boat club, Sailing club and others). Although the Tarakohe marina has less services than either of these marinas the majority of users see the current rate of \$266 per metre as either at or slightly above the market price. i.e. **users see a fair price around the current \$266 per meter.**

If the Tarakohe marina can not cover its costs at the "fair market" berthage rate, then the **options** are one or more of the following;

- a) a higher than market rate must be charged
- b) expenditure at the marina must be reduced
- c) Council accepts the marina as a recreational (vis-à-vis commercial) asset and funds the deficit from general rates, or
- d) the Council sells or closes the marina.

Option d) is not tenatable – given the sea focused nature of the Golden Bay community and economy there is an obligation upon council to provide what is a core service. Note – this does NOT preclude the Council from selling the wharf commercial operation of the Port.

Option a) if a higher than "fair" price is to be charged it should be the **absolute minimum above the fair price in order to balance the cashflows**. Even the "40% discount" price (presumably indicating a rate in the vicinity of \$350 per meter) is predicated on recovering depreciation on a revalued asset and a marina cost base well in excess of the Motueka marina (i.e. what a marina service could be delivered at under strict cost controls). It is NOT the absolute minimum charge above market price required

to breakeven on fair expenditures under the Government audit guidelines for pricing of council services.

Option b) Can we **reduce expenditures** at the marina whilst preserving the Council's asset and delivering a safe, on-going service to meet Council's legal obligations to provide public services under the Local Government Act?

The following table is an approximate cashflow view of the Port as a whole based on the numbers on the TDC website for the 2013 financial year.

Port cashflows for the Year to June 2013 (figures from TDC)

Cash In	
Boat Ramp/Compound Fees	25,536
Marina Fees	204,296
Wharf Fees	75,405
Marine Farmer Levies	53,992
Other Income	20,907
	<u>380,136</u>
Cash Out	
Boat Ramp/Compound Costs	3,772
Marina Operating Costs	50,468
Wharf Operating Costs	18,555
Harbour Costs	11,898
Harbour Manager Salary	55,000
Cash Operating Costs	<u>139,693</u>
Net Cash Surplus from Operations	240,443
Professional Fees	30,000
TDC Costs (Management + Overheads)	72,764
Interest Costs	157,876
Non-Operating Costs	<u>260,640</u>
Net Cash Deficit before Loan Principal Repayments	-20,197
Community Benefit / Recreational Usage : value?	50,000
Port Debt as at June 2013	
Number of years to repay @ \$198,762	14
Number of years to repay @ \$50,000	60
Reconciliation to TDC Port Financials (as per TDC website)	
Surplus Deficit 2013 (bottom of page 2)	-118,284
Add back Depreciation (non-cash item)	208,105
Less Rate Subsidy to be eliminated	-110,018
Net Cash Deficit	-20,197

The key numbers here are;

a) cash in from boat ramp/compound \$25,536 and marina \$204,296

These figures reflect a "fair" or market price for the Council service at **\$266 per metre**. The increase on 1 July 2013 in marina fees means approx. another \$10,000 p.a. is being collected by Council above these figures

b) operating costs of the boat ramp \$3,772 and marina \$50,468.

Operating costs total around \$54,000 p.a. are approximately in line with total costs at the nearest marina in Motueka and possibly reflect the **approximate maximum level of costs the Council is legally permitted to recover under the Government Audit guidelines** for pricing of a local government recreational service

c) indirect costs professional fees \$30,000 TDC, overheads \$72,764, interest \$157,876 totally \$260,640, plus harbour manager salary costs \$55,000.

The Motueka marina financial statements do not include charges for professional fees, council overhead charges or harbour master / manager costs. Few marinas have a revenue base sufficient to carry such costs, certainly not small community recreational marinas. The build cost of the Motueka marina is approximately \$700,000 vis-a-vis the Port Tarakohe debt levels of \$2.9 million substantiate the claim that **significant historic cost overruns now burden the current marina with an unfair level of interest costs.** Motueka have structured their business model such that they simply do not incur indirect costs at these levels. Ports (commercial ones) yes, Marinas no. The WHK model includes increasing indirect costs to provide a \$60,000 fishing platform for the general public use, charges for mowing the lawns of the adjacent recreational reserve. In the long run, monopoly pricing or otherwise, **a marina the size of Tarakohe can NOT fund excessive indirect costs.** And TDC can not legally charge excessive costs on to users of a recreational asset.

d) cash deficit before principal repayments \$20,197

In 2013 the Port net cash deficit, after paying full interest costs on a historic debt of \$2.9 million, and a high level of indirect costs, is \$20,197. The interim marina fee increase in 1 July 2013 and the proposed MF levies increase indicate **cash deficit prior to principal payments will be positive for 2014** even at current expenditure levels. With the implementation of a rigorous **cost reduction program** (which the Marina Association has offered to participate or lead, focusing on reduction of non-core expenditure in line with the financial and business model already proven at the Motueka marina, there is ample potential to move towards a small surplus for debt repayment.

e) depreciation: based on Replacement Cost (\$208,105); Historic Cost (\$50,000)

The TDC accounts for the Port show a depreciation figure of \$208,105. The economic life of the Port is estimated at 60 years. Applying this to the current replacement cost of the Port from the MWH report, \$12.4 million, i.e. $1/60^{\text{th}}$, a charge to the current users of \$208,105 every year. The logic being that in 60 years there will be a "reserve" of \$12,486,300 (i.e. $60 \times \$208,105$) held by TDC from which a "new" port would / could be built. There's a number of logic issues here.

- a) the calculation is dependant on the estimated economic life – this is subjective. Ports of Tauranga calculate an economic life of 150-200 years for rock walls; 150 years for poles. i.e. the divisor could easily be 200 rather than 60. Further it should take in to account residual value of the asset at the end of its economic life. What value will the rock walls have in 200 years time? Who knows? Noone.

- b) Getting current users to pay a rate to cover replacement cost depreciation in order to fund a reserve for the build of a new port at a far future date for the use of unknown future users, at an indeterminate future actual build cost cant be defended logically; No one expects the cost to be \$12 million; it could easily be \$112 million. Whatever it costs, whenever, why would you expect current users to pay for it? Logically no one would.

As you can see the logic of using replacement cost in determining charges to current users gets very complex. Because of these issues Current Replacement Cost depreciation is normally booked to the PL but not used to determine a fair price to current users. If you want the full economic argument for this please refer to NZIER, particularly their paper 'Origins of ODV, available free of charge on the internet. It is the reason why the Commerce Commission building blocks approach switched to indexed historic cost in controlling prices in the electricity industry.

If you want to charge current users depreciation costs, it is more logical (although still debatable) to charge it based on historic cost. Again, caveated by the fact that the historic cost on the books includes excessive cost overruns which if challenged in a court of law would not legally be recoverable from current users of a monopoly asset, and given that economic life is likely to be significantly higher than the 60 years used by TDC, a maximum annual depreciation charge is approximately \$3million divided by 60 years is \$50,000 per year.

e) debt principal repayments \$198,762;

Lets start by clarifying the relationship between depreciation and debt principal repayments. There is none; they are totally independent. What is for sure is that users fund one or the other (not both). Often this is expressed in terms of depreciation being a "non-cash" item. Businesses normally match debt repayments to the cashflows of the business in order to minimize liquidity risk. However, over the life of the asset, where the asset is fully debt funded, as for Port Tarakohe, by definition, principal repayments approximately equal depreciation on the historic asset cost. TDC have indicated debt repayment of \$198,762 per annum. Repayments at this level would pay off the entire historic Port debt of \$2.9 million in under 15 years. This is totally arbitrary – there is no legal obligation to meet this annual repayment amount. Compare this to a possible economic life of 100+ years. Sensibly you match debt repayments to available cash.

I propose a fair level of debt repayments per annum to target is the \$50,000 fair value for depreciation. However before setting an amount, why don't we tackle the excess expenditure issue first then we can structure a debt repayment schedule which matches the overall Ports cashflows. If the MF levies move in the direction we all think, the historic debt repayment might actually be achieved quite easily without the financial and social stress a 100% across the board increase will cause.

f) the value of the community / recreational service to the GB community \$???

Council has a moral and legal obligation to provide recreational services to its ratepayers. The vesting documentation clearly indicates the whole southern arm of the Port is a recreational reserve. Why then is a ratepayer with a boat moored in the community marina required to pay for the lawns on the Council recreational reserve to be mowed? Theoretically a portion of all indirect costs relate to this "reserve" half of the Port and could be argued to be Council expenses vis-a-via Port expenses. Why does the WHK plan require a public fishing platform be built at the cost of \$60,000 and the costs to be charged to the marina berth users? At the very least (and I'm not sure even that meets Council's duties under the Government Audit Guideline) the Council costs in respect of the recreational reserve can not morally or legally be charged to users of the marina. Look at it another way - what's the fair charge by the Port back to the Council for the recreational services provided and the public reserve areas of the Port? \$50,000?

Summary:

Funding deficit before principal repayments is approximately \$20,000 p.a. Given there are at least \$20,000 additional revenues attributing to the Port in 2014 (above those in 2013) there is effectively at least a neutral position before principal repayments, or alternatively, funding of depreciation. A vigorous cost reduction program to eliminate half the indirect costs totals for professional fees and council overheads (totally \$100,000 p.a.) would free up \$50,000. This is approximately the fair annual amount for current users to repay the Port's historic debt (or put it another way, to fund depreciation). Further, this does not take in to account Council's responsibilities to fund the community recreational services that the Port provides.

PITFALLS OF USING "ODVR" REPLACEMENT COST

There are a number of issues relating to the use of a replacement cost valuation of the Port Tarakohe's assets. The WHK report gives the Optimised Depreciated Replacement Value (i.e. effectively the current replacement value of the Port) as \$12.3 million (although the TDC meeting handout states ODRV asset value \$10,835,457 at financial year end June 2013).

a) Overvalued Asset Valuation on Balance Sheet of Port Tarakohe and TDC

The Port's balance sheet shows at 30 June 2013 an asset value of \$12,002,798. I believe this includes a revaluation of the Ports assets from historic cost of approximately \$3 - \$4 million to the Optimised Depreciated Replacement Value (ODRV) valuation calculated by MWH of \$12,301,140.

However the intrinsic value of the asset is materially less than the ODRV value, either under a "present value of future net cashflows" test or a "economic value to user" test.

Currently Port net cashflows before principal debt repayments are approximately neutral - i.e. revenues received are effectively matched to cash expenses paid - prior to principal repayment on the Ports debt. Effectively, under a present value

of net cashflows valuation the Port's worth is approximately negative by the present value of Port's debt (currently \$2.9 million) repayment schedule.

The economic value to user test is based on the lowest alternative cost of supply. The nearest alternative public marina is in Motueka, with a published charge of \$230 per meter. This is well under the present Tarakohe marina charge of \$266 per meter, the price at which Tarakohe marina net present value cashflows is zero. Arguable the Port's "economic value to user" valuation is less than the "net present value of cashflows" valuation.

It would appear the balance sheet of Port Tarakohe, and therefore the consolidated balance sheet of the Tasman District Council, may have an asset value which is materially different from its intrinsic value, and the difference may potentially affect the true and fair quality of the entity's financial statements.

b) Unrealisable Reserve

The revaluation of the Port's assets from historic cost to ODRV (replacement cost) creates an unrealized reserve in the equity section of the Port's balance sheet in the vicinity of, I believe, \$7 - \$8 million. If the Port asset was to be sold as at TDC's June balance date the difference between the sale price of the Port and the ODRV asset value would be booked as either a profit (sale price above the ODRV value) or loss (sale price below ODRV value). One external party has the right of first refusal if TDC were to sell the Port. It is understood that any sale price would be materially less than the ODRV value. As such, in the event of sale, the unrealized reserve would need to be unwound and booked as a loss. It is believed that this potential future event would be significant to both the Ports financial position and also that of the parent, Tasman District Council. If that is the case it should be disclosed in the financial statements and to the Council's bankers.

c) Overstated Future Cashflows in the TDC LTP

The proposed Port Tarakohe Development Plan issued by the Council indicates the Council will increase overall Port charges by approximately 100% in order to attain a valuation of the Port asset which approximates the ODRV value of \$12.3 million., based on a weighted average cost of capital of 7.29%. A 40% discount off the price needed to establish ODRV asset value has been offered as the economic situation of the Port users is such that the full charge is not considered to be currently achievable. If nothing else this immediately throws in to doubt the ODRV asset valuation by at least 40%.

The full charge implied by the ODRV valuation would necessitate a marina fee approximately double the current charge, and approximately 2.5 times the nearest competitor, Port Motueka. Existing users are challenging the proposed price increases, and their economic ability to pay the higher price is in doubt, especially in the long term. It also assumes the commercial users of the wharf will accept the

charges increase and continue to use the wharf at current usage levels. This also is in doubt.

Realising the planned cashflows is also predicated on a significant increase in the levy paid by marine farmers in Golden Bay. It is believed at best the Marine Farmers Association is considering a rate per meter charge considerably less than half the rate that would be required to substantiate the ODRV asset value.

Indications at this stage are that the ability of the Council to realize the revenue model required to substantiate the ODRV asset value is seriously in doubt. The concern is that the expected cashflows are very unlikely to be achieved and that their inclusion in the TDC long term plan may be materially overstating the Council's long term cashflow projections.

Summary:

There are considerable issues regarding the appropriateness of using ODRV in circumstances where the economic value of an asset is materially less than the ODRV value. In economic theory ODRV is either tempered by ODV (i.e. subject to an economic value test) or replaced by indexed historic cost where it is used in monopoly pricing issues (refer the literature on the Commerce Commission building blocks monopoly pricing methodology). There is also considerable doubt about the achievability of the pricing methods proposed to achieve the cashflows required to substantiate the asset's ODRV value. These concerns may throw doubt on the true and fair value of Port Tarohe's financial information and also that of the Tasman District Council.

Website Submission - Draft Port Tarakohe Development Plan

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Organisation

Golden Bay Ring Road Farming Limited

Port Tarakohe Development Plan

Feedback on "fees and Charges" component of the Port Tarakohe Development Plan

1. We endorse and support the submission of the Marine Farming Association.
2. We also refer to our previous submission to the Long Term Community Plan and our position on this matter has not changed.
3. As we advised you at the meeting in Motueka on the 21st November 2013 the Shareholders of Golden Bay Ring Road Farming at their AGM discussed the TDC line levy model and rejected the basis of the valuation of the assets in question.
4. As a consequence of this the Shareholders voted unanimously to adopt the default option of wharfage charges.

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Website Submission - Draft Port Tarakohe Development Plan

Your Contact Details

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Organisation

Golden Bay Ring Road Spat Catching Limited

Port Tarakohe Development Plan

Feedback on "fees and Charges" component of the Port Tarakohe Development Plan

1. We support the Golden Bay Ring Road Farming Submission.
2. We reject the arbitrary method of charging for seasonal spat catching sites

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SUBMISSION



TELEPHONE 0800 327 646 | WEBSITE WWW.FEDFARM.ORG.NZ

To: Tasman District Council

Submission on: The Port Tarohe Development Plan

From: The Golden Bay Province of Federated Farmers of New Zealand

Date: 28 November 2013

Contact: Michael Bennett
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**SUBMISSION TO TASMAN DISTRICT COUNCIL ON
THE PORT TARAKOHE DEVELOPMENT PLAN 2013**

1. GENERAL SUBMISSIONS

The Golden Bay Province of Federated Farmers seeks the following decision:

- 1.1. Recognise the strategic significance of Port Tarakohe to the economic and social sustainability of Golden Bay.**

Reason:

- 1.2. Port Tarakohe is of key strategic importance for farmers, and other industry groups in Golden Bay and it is essential that this facility remains commercially and socially viable. We hope that our submission assists the Council in making good decisions around the future of this critical piece of community infrastructure.

2. CHARGES LEVIED

The Golden Bay Province of Federated Farmers seeks the following decisions:

- 2.1. Implement the shift from general rate funding in stages over time so that the impact on port users and the viability of the port can be evaluated in stages.**
- 2.2. Replace the line charge for mussel line and mussel spat with charge per ton of product landed.**
- 2.3. Implement wharfage rates that encourage all industries to utilise Port Tarakohe to maximise development and sustainability of the Port.**

Reasons:

- 2.4. Federated Farmers supports in principle the Council's resolution to have the port as a self-funded entity without support from the general rate. However, there is some concern that port users may find the revised fees to be excessive, which could undermine the viability of this essential community asset. The funding changes overlook the 'whole community benefit' of the port which enhances the social and economic resilience of Golden Bay. Accordingly we seek that the withdrawal of general rate funding is undertaken in stages over several years to enable on-going assessment of the impact on the viability of Port Tarakohe and to allow community discussion of what constitutes a fair proportion of general rate funding.
- 2.5. Federated Farmers is also concerned with the transparency of the use of a 'line charge' for mussels and spat at a time when charges for use are being increased to uncomfortable levels for some users. We do not understand what a line charge means in tonnage terms and do not agree that it enables fair comparison with other users who are charged per ton. A charge per ton landed would not only be fairer and more transparent, but would also directly relate to time of harvest and sale of product, and therefore be less onerous for mussel farmers.

2.6. Federated Farmers points out that marine farmers do not pay rates, and as such do not contribute to the maintenance of the road network, even though marine farming activities generate significant road traffic. It is well known that the Tasman District faces severe problems with debt and level of service associated with funding of roads, and it does not make sense to provide further relief to marine farmers on wharfage.

2.7. Finally the proposed wharfage charges may make the use of the Port less viable for some users. As well as putting the fiscal stability of the port at risk, reduced use makes Golden Bay increasingly reliant on road transport, specifically the singular road in and out of the bay. Golden Bay industries depend on effective and efficient transport networks, both for export of product and importation of essential products and services. Future shortages of fossil fuels may see shipping become more cost effective than road transport in future, and our members are concerned about the loss of opportunity to utilise the Port.

3. ABOUT FEDERATED FARMERS

3.1. The Golden Bay Province of Federated Farmers welcomes the opportunity to submit on the Port Tarakohe Development Plan.

3.2. Federated Farmers of New Zealand is a primary sector organisation that represents farming and other rural businesses. Federated Farmers has a long and proud history of representing the needs and interests of New Zealand farmers.

3.3. The Federation aims to add value to its members' farming business. Our key strategic outcomes include the need for New Zealand to provide an economic and social environment within which:

3.3.1. Our members may operate their business in a fair and flexible commercial environment;

3.3.2. Our members' families and their staff have access to services essential to the needs of the rural community; and

3.3.3. Our members adopt responsible management and environmental practices.

3.4 This submission was developed in consultation with the members of Federated Farmers. It is important that this submission is not viewed as a single submission, but as a collective one, that represents the opinions and views of our members.

3.5 Federated Farmers acknowledges submissions from individual members of Federated Farmers.

Sue Brown
Provincial President
Golden Bay Province
Federated Farmers of New Zealand