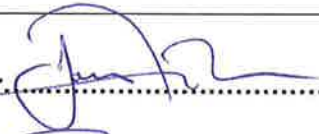
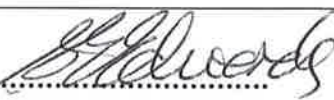


# **Tasman District Council**

# **Port Tarakohe Activity Management Plan**

**2012 - 2022**

**July 2012**

Quality Assurance Statement	
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**For full Quality Assurance Statement, Refer Appendix Z**

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## 1 KEY ISSUES FOR PORT TARAKOHE

The most important issues relating to Port Tarakohe are shown below in Table 1-1.

**Table 1-1: Key Issues for the Port Tarakohe Activity**

Key Issue	Council Approach
Port Tarakohe is operating at a financial loss due to unsustainable debt levels.	Council has reviewed the rates requirements for Port Tarakohe and has an objective of scheduling developments and levels of service that would enable this facility to operate without support from general rates. Because of the debt associated with the Port, this cannot be achieved immediately, however, in the medium term this should be possible.
Desire of marine farming association to build a new wharf, and associated affordability and affect on other port assets.	Council has decided not to proceed with the proposed marina and new wharf in this Long Term Plan. The funding associated with these projects has been removed from the budget.
Increased berthage fees to approximately \$400/mth from \$230/mth to enable the construction of the new marina.	Existing berth holders are unlikely to entertain an increase of this magnitude which may result in alternative measures being considered.
Private water supply.	The private water supply was damaged by a landslide during the December 2011 rainfall event. Council's position is 'considering the options for a water supply'.

## 2 ACTIVITY DESCRIPTION

### 2.1 What We Do

This activity comprises:

- the provision and management of coastal structures (wharves, jetties, boat ramps, associated buildings and foreshore protection walls) owned by Council
- the provision of navigational aids to help safe use of the coastal waters.

A complete description of the assets included in the coastal structures activity is in Appendix B.

### 2.2 Why We Do It

Port Tarakohe has significant public value, enabling access to and use of coastal areas for commercial, cultural and recreational purposes. Council ownership and management of coastal assets ensures they are retained for the community.

### 3 COMMUNITY OUTCOMES AND OUR GOAL

The community outcomes that the Port Tarakohe activity contributes to most are shown in Table 3-1.

**Table 3-1: Community Outcomes**

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected.	Port Tarakohe can be managed so their impact does not affect the health and cleanliness of the receiving environment.
Our urban and rural environments are pleasant, safe and sustainably managed.	The Port Tarakohe activity ensures our built environments are functional, pleasant and safe by ensuring the coastal structures are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our infrastructure is safe, efficient and sustainably managed.	The Port Tarakohe activity provides commercial and recreational facilities to meet the community needs at an affordable and safe level. The facilities are also managed sustainably.

#### 3.1 Our Goal

Coastal infrastructure is developed to achieve the visions of both Council and the community.

### 4 OPERATIONS, MAINTENANCE AND RENEWALS STRATEGY

#### 4.1 Operations and Maintenance

The Council's strategy is to maintain the coastal structures associated with the port such as wharves, marinas, boat ramps, rock walls, buildings and parking facilities so that they meet the specific objectives which will provide facilities suitable for the recreational and commercial users at the least long term cost to Council. This may result in some facilities being maintained at decreasing levels or disposed of.

There are no formal maintenance procedures in place at the port. The Harbour manager manages, identifies and undertakes maintenance work as and when required, hence the maintenance being of a reactive nature.

Operation and maintenance is discussed in detail in Appendix E.

#### 4.2 Renewals

Renewal expenditure is major work that does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original capacity. Work over and above restoring an asset to original capacity is new capital expenditure.

Assets are considered for renewal as they near the end of their effective working life or where the cost of maintenance becomes uneconomical and when the risk of failure of critical assets is sufficiently high.

The renewal programme is reviewed in detail during each Activity Management Plan update (ie. three yearly), and every year the annual renewal programme is reviewed.

Regulatory assets such as signs and aids to navigation are renewed by Council's Harbour Master on an as required basis.

The renewals process is discussed in detail in Appendix I. There are currently no renewals scheduled within the life of this plan.

## 5 EFFECTS OF GROWTH, DEMAND AND SUSTAINABILITY

### 5.1 Population Growth

A comprehensive Growth Demand and Supply Model (GDSM or growth model) has been developed to provide predictive information for population growth and business growth, and from that, information about dwelling and building development across the district and demand for infrastructure services. The Growth Demand and Supply Model underpins the Council's long term planning through the Activity Management Plans, Long Term Plans (LTPs) and supporting policies (eg. Development Contributions Policy).

The 2011 Growth Demand and Supply Model is a third generation growth model with previous versions being completed in 2005 and 2008.

Population growth does not have a direct effect on the coastal structures activity. Therefore the model outputs are not directly relevant to this activity. However, generally population growth leads to intensification of the use of existing facilities for recreation and demand for further housing development close to the coast. The potential effects of this on the coastal activities are:

- increased use of port, wharf, mooring, marina and boat ramp facilities for recreation
- possible need for further coastal protection of properties if not fully allowed for in assessing the suitability of development.

Council will continue to allow the use of the assets for coastal related activities and other compatible uses in a manner that minimises conflict with the local community and the coastal environment, serves the needs of the district and is self-supporting.

Growth and demand for the Port Tarakohe activity is discussed in detail in Appendix F.

### 5.2 Sustainability

The Local Government Act 2002 requires local authorities to take a sustainable development approach while conducting its business, taking into account the social, economic and cultural wellbeing of people and communities, the need to maintain and enhance the quality of the environment; the reasonably foreseeable needs of future generations.

Sustainable development is a fundamental philosophy that is embraced in Council's Vision, Mission and Objectives, and that shapes the community outcomes. The levels of service and the performance measures that flow from these inherently incorporate the achievement of sustainable outcomes.

Many of the Council's cross-organisational initiatives are shaped around community wellbeing (economic, social, cultural and environmental) and take into consideration the wellbeing of future generations. This is demonstrated in:

- Council's Integrated Risk Management approach which analyses risks and particularly risk consequences in terms of community wellbeing
- Council's Growth Demand and Supply Model which seeks to forecast how and where urban growth should occur taking into account opportunities and risks associated with community wellbeing
- Council adopting a 20 year forecast in the Activity Management Plans to ensure the long term financial implications of decisions made now are considered.

At the activity level, a sustainable development approach is demonstrated by the following:

- ensuring minimal impact on the environment by the activity
- ensuring that the district's likely future port requirements are identified at an early stage and that they, and the financial risks and shocks, are competently managed over the long term without the Council having to resort to disruptive revenue or expenditure measures.

## 6 LEVEL OF SERVICE AND PERFORMANCE MEASURES

Table 6-1 summarises the levels of service and performance measures for the coastal structures activity. Development of the levels of service is discussed in detail in Appendix R.

**Table 6-1: Levels of Service**

ID	Levels of Service (we provide)	Performance Measures (We will know we are meeting the level of service if...)	Current Performance (as at end Year 2 2010/11)	Future Performance			Future Performance (targets) by Year 10 2021/22
				Year 1	Year 2	Year 3	
				2012/13	2013/14	2014/15	
<b>Community Outcome: Our unique natural environment is healthy and protected.</b>							
1	<b>Our works are carried out so that the impacts on the natural coastal environments are minimised to a practical but sustainable level.</b>	<i>Resource consents are held and complied with for works undertaken by Council or its contractor. As measured by the number of abatement notices issued to Council.</i>	<b>Actual = Nil</b>	<i>No abatement notices issued</i>	<i>No abatement notices issued</i>	<i>No abatement notices issued</i>	<i>No abatement notices issued</i>
2		<i>The port is maintained to its original constructed standard. As measured by routine inspections.</i>	<b>Actual = 75%</b>	100%	100%	100%	100%
<b>Community Outcome: Our urban and rural environments are pleasant, safe and sustainably managed.</b>							
3	<b>Coastal structures are operated without causing public health hazards.</b>	<i>Building consents are held and complied with for works undertaken by Council or its contractors. As measured by inspections.</i>	<b>Actual</b> Where building consents are required, Council have them in place and comply with them.	100%	100%	100%	100%
4	<b>Our coastal activities are managed at a level that satisfies the community.</b>	<i>The marina at Port Tarakohe is operating at 90% capacity or greater.</i>	<b>Actual =</b> Currently between 90 and 95%	95%	95%	95%	95%



ID	Levels of Service (we provide)	Performance Measures (We will know we are meeting the level of service if... )	Current Performance (as at end Year 2 2010/11)	Future Performance			Future Performance (targets) in Years 4 - 10
<b>Community Outcome: Our infrastructure is safe, efficient and sustainably managed.</b>							
5	<b>Faults in the coastal assets are responded to and fixed promptly.</b>	<i>We are able to respond to Customer Service Requests within the timeframes we have agreed with our suppliers and operators, and within the available funding.</i>	Actual = 100%	100%	100%	100%	100%

## 7 CHANGES MADE TO ACTIVITY OR SERVICE

The key change for Port Taroakohe is it is now managed and operated under corporate services rather than the enterprise committee.

## 8 KEY PROJECTS

Table 8-1 details the key capital and renewal work programmed for years 2012 to 2022.

**Table 8-1: Significant Projects**

Project Name and Description	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)	Years 4 to 10 (\$)	Project Driver <sup>1</sup>
New refuelling pontoon – construction of a new refuelling pontoon and sewerage pump out facility	0	0	0	100,000	LoS
Weighbridge, security and surveillance	200,000				LoS
Wharf mounted Crane	80,000				LoS
Fendering and walkway improvements	20,000	20,000	20,000		LoS

Note:

1. See Appendix F for a full detailed list of new capital works projects driven by growth, renewals and/or an increase in level of service.
2. See Appendix I for a full detailed list of renewal projects.

## 9 MANAGEMENT OF THE ACTIVITY

### 9.1 Management

The Council has management and operational roles as a Harbour Authority, Regional Authority and Local Territorial Authority.

The Manager Property Services is responsible for the overall management of the port, and reports to the Corporate Services Committee.

The day to day management is undertaken by the Harbour Manager. This is a contracted position. The Harbour Manager reports to the Manager Property Services.

The Council carries out the following roles in the management of Port Taroakohe.

#### *Environment and Planning*

- Implementing aspects of the Harbour Bylaw relating to navigational safety, designated marine activities and commercial operators.
- Implementing the Resource Management Act (Tasman Resource Management Plan and the Tasman Regional Policy Statement) including setting coastal planning policy and processing resource consents.

#### *Corporate Services*

- Implementing aspects of the Harbour Bylaw relating to collection of wharfage/berthage fees.

<sup>1</sup> LoS = Levels of Service, R = Renewal, G = Growth

Council owns the majority of the assets at Port Tarakohe, however there are a number of privately owned assets. The privately owned assets have been acknowledged in this Activity Management Plan, but not covered in detail.

## 9.2 Significant Effects

The significant negative and significant positive effects are listed below in Table 9-1 and Table 9-2 respectively.

**Table 9-1: Significant Negative Effects**

Effect	Council's Mitigation Measure
Inappropriately built urban environment may have a negative visual impact.	Council controls this through bylaws and the Tasman Resource Management Plan (TRMP), and may impose conditions on lessees to improve the amenity value of existing buildings.
Increased traffic and noise from both commercial and recreational users of coastal facilities.	Council controls the use of coastal areas and facilities through bylaws, the TRMP, restriction of access, and education.
The costs of providing the services.	Council uses competitive tendering processes to achieve best value for money for works it undertakes. Council's goal is for Port Tarakohe to be self-funding.
Potential changes to the natural coastal processes and ecological systems due to placement of structures, this may include loss of natural sand dunes. The construction of structures that appear out of character with the coastal environment.	Council manages changes to the natural environment through bylaws and the TRMP.
Potential to affect historic and wahi tapu sites.	Council undertakes consultation with affected parties prior to undertaking works. Council also maintains a record of known heritage sites.

**Table 9-2: Significant Positive Effects**

Effect	Description
Economic development.	Provision and maintenance of the port allows for the development of commercial businesses, therefore contributing to economic growth and prosperity.
Community value.	Port Tarakohe contributes to community well-being by providing assets for recreational use of residents and visitors to the area.
Environmental sustainability.	Council aims to achieve environmental sustainability whilst managing the port. Provision and maintenance the port improves protection for some residents and the built environment.
Economic efficiency.	Council's management of the port activities uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.

## 9.3 Assumptions

Council has made a number of assumptions in preparing the Activity Management Plan. These are discussed in detail in Appendix Q. Table 9-3 lists the most significant assumptions and briefly outlines the impact of the assumption.

**Table 9-3: Major Assumptions**

Assumption Type	Assumption	Discussion
Financial assumptions.	That all expenditure has been stated in 1 July 2011 dollar values and no allowance has been made for inflation.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of the plans if inflation is higher than allowed for, but Council is using the best information practically available from Business and Economic Research Limited (BERL).
Asset data knowledge.	That Council has adequate knowledge of its assets to adequately forecast planned renewal works to meet the proposed levels of service.	There are several areas where Council needs to improve its knowledge and assessments but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.
Major events.	That a major storm event will not occur.	If a major event occurs it may have an effect on the operations and maintenance budgets due to the extent of reinstatement required and associated costs. Council will need to prioritise expenditure. The risk of this occurring is low.
Timing of capital projects.	That capital projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like, resource consents and funding. Council tries to mitigate this issue by undertaking the consultation, investigation and design phases sufficiently in advance of the construction phase. If delays are to occur, it could have effect on the level of service.
Funding of capital projects.	That the projects identified will receive funding.	The risk of Council not funding capital projects is moderate due to community affordability issues. If funding is not secured, it may have effect on the levels of service as projects may be deferred. The risk is managed by consulting with the affected community/users and appropriate distribution of fees.
Accuracy of capital project cost estimates.	That the capital project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large under estimation is low; however the effect is moderate as Council may not be able to afford the true cost of the projects. Council tries to reduce the risk by including a standard contingency based on the projects lifecycle.
Changes in legislation and policy.	That there will be no major changes in legislation or policy.	The risk of major change is high due to the changing nature of the government and politics. If major changes occur it is likely to have an impact on the required expenditure. Council has not mitigated the effect of this.
Funding	That the Council will achieve in making Port Tarakohe self-funded in the future.	This will only occur if Council can reduce debt associated with the port.

The major capital projects and their potential uncertainties are listed in Appendix Q.

#### **9.4 Risk Management**

Council's risk management approach is described in detail in Appendix Q.

This approach includes risk management at an organisational level (Level 1). The treatment measures and outcomes of the organisational level risk management are included within the Long Term Plan.

The asset group level (Level 2) risk assessment was carried out at the same time as the Level 1 assessment due to the small number of assets managed within the activity.

Council has not yet identified and assessed critical assets (Level 3), the physical risks to these assets and the measures in place to address the risks to the asset. The specific risk mitigation measures that have been planned within the 20 year coastal structures programme include:

- an allowance for routine maintenance of structures
- routine structural inspections.

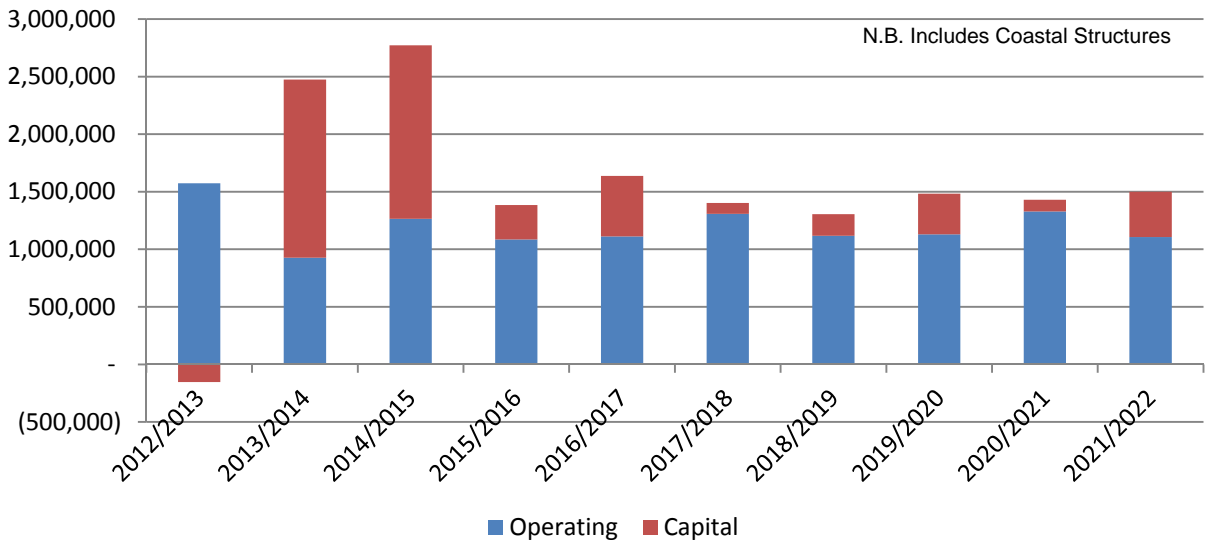
#### **9.5 Improvement Plan**

Development of the improvement plan is discussed in Appendix V. It includes a table of planned improvements that are still to be implemented and information on how they have been budgeted. It is a snapshot of the improvement plan at February 2012. It is intended that the improvement plan is continually updated and monitored as a live document.

Appendix V also includes a summary of the key improvements that have been achieved since the preparation of the 2009 Activity Management Plan.

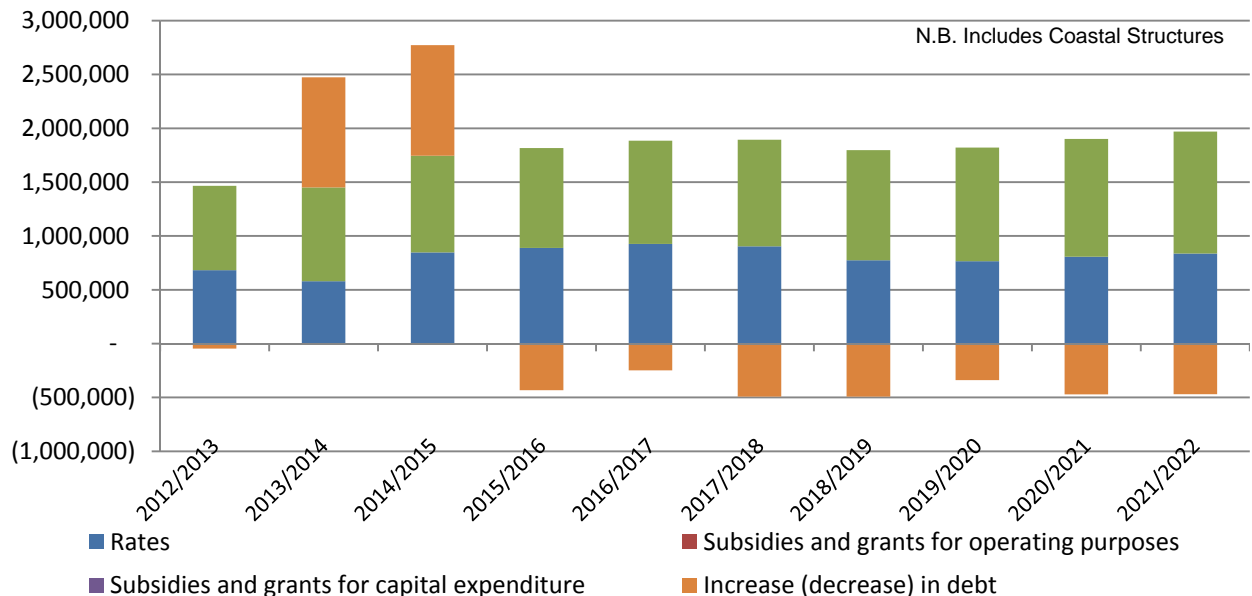
## 10 SUMMARY OF COST FOR ACTIVITY

The following figures have been generated from the Public Debt and Loan Servicing Cost information held in Appendix K, and the Funding Impact Statement held in Appendix L of the Coastal Structures AMP. For ease of reporting Council has included Port Tarakohe in the Funding Impact Statement for Coastal Assets and will therefore also be included in some of the following figures. Further detail is held in Appendix E, F and I for operating and maintenance, new capital and renewal costs respectively. All of the following graphs include inflation.



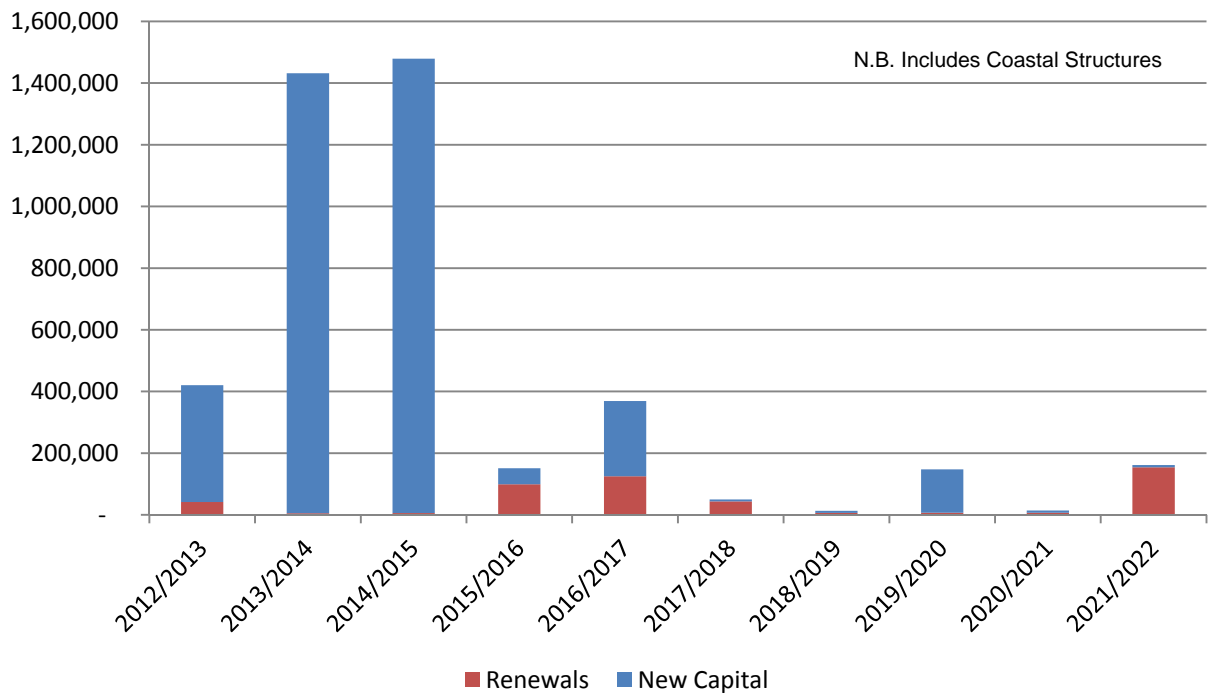
**Figure 10-1: Total Expenditure**

- The operating expenditure remains reasonably consistent for Port Tarakohe and generally increases with inflation.
- The major capital expenditure at Port Tarakohe has been deferred at this time.



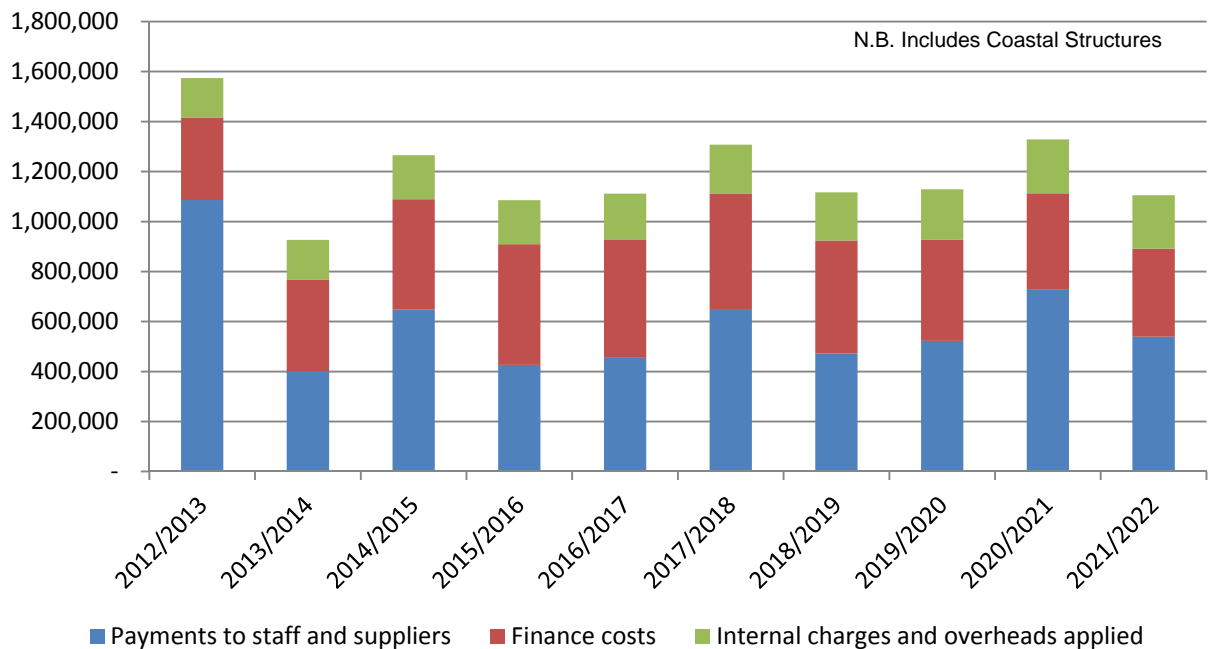
**Figure 10-2: Total Income**

- The income proposed for the next 10 years corresponds with the proposed expenditure in Figure 10-1.
- Rates fluctuate in accordance with operating expenditure. Debt increases are in conjunction with major capital projects.



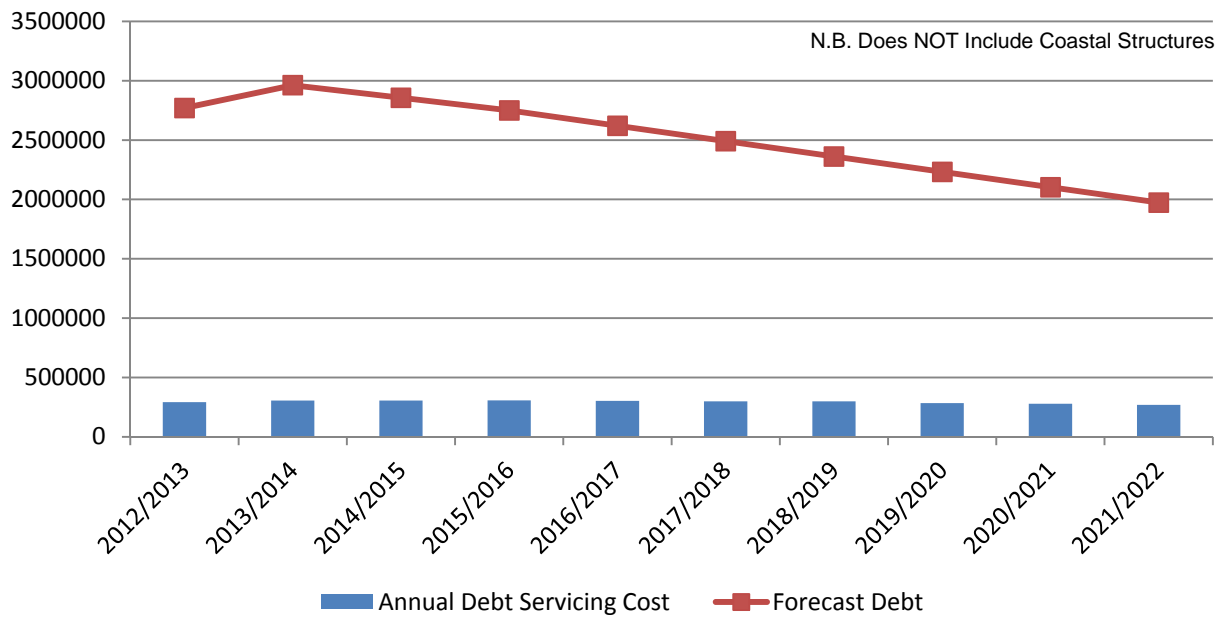
**Figure 10-3: Capital Expenditure**

- The peak in new capital expenditure relates to other Coastal Structures projects.



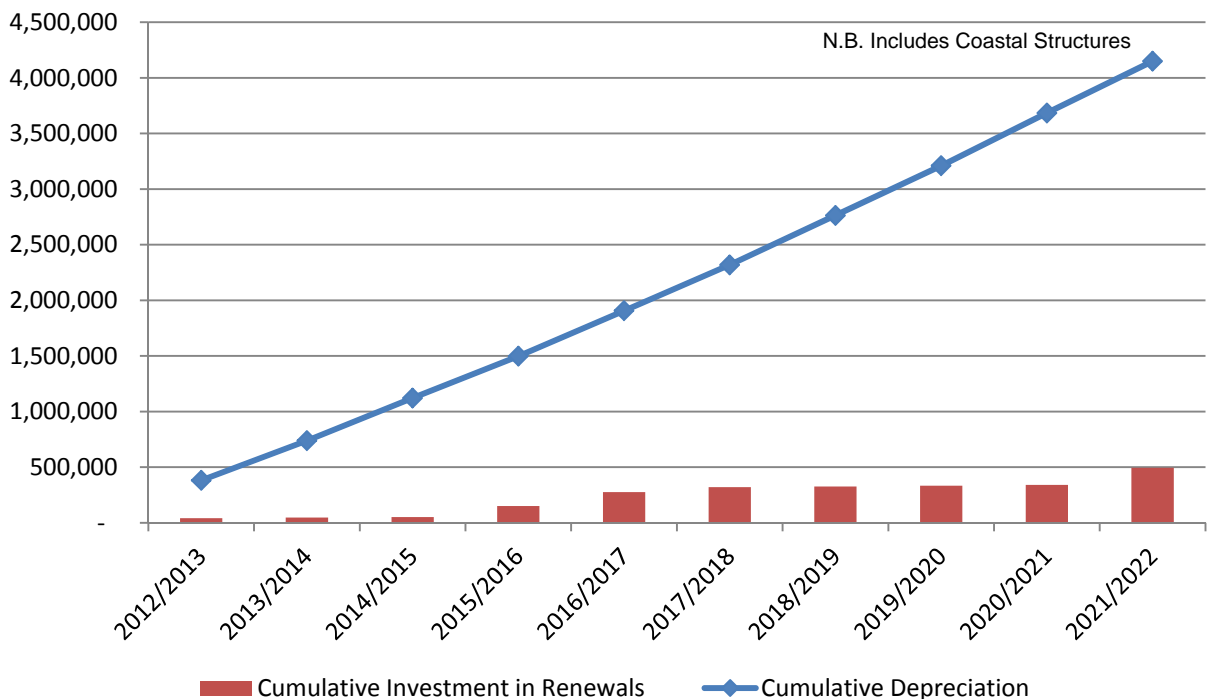
**Figure 10-4: Operating Expenditure**

- The Payments to Staff and Suppliers includes maintenance costs and professional service fees.
- Finance costs show an initial increase and then decrease over the next 10 years due to a similar pattern in the level of debt shown in Figure 10-5.



**Figure 10-5: Debt**

- Council's debt associated with the Port Tarakohe shows a decrease over the next 10 years from 2.8 to 1.9 million.



**Figure 10-6: Investment in Renewals**

- The above figure covers a relatively short time period when compared with the useful life span of the coastal structures assets. The apparent lack of renewals will be further investigated when Council reviews its renewals strategy. This is discussed further in Appendix I.