

STAFF REPORT

TO: Council Enterprises Subcommittee
FROM: Port Taranokohe Administration Manager
REFERENCE: A303
DATE: 18 June 2006
SUBJECT: Port Taranokohe Report June 2006

FINANCIALS

Please refer to the Corporate Services Manager's report for these.

PORT CHARGES

This matter has been raised in confidential business with the Golden Bay Community Board and I see the Chairman has made public comment in the Nelson Evening Mails Edition of 16th June.

At this time I would reiterate my continued support for the charges as proposed with a policy that charges shown are those collected. Previously it would seem that. The charges were seen as maximums with adjustments being made to suit commercial conditions. Similar to the way the RRP of goods is often reduced by shops to improve sales and profitability.

This is specifically provided for in both the operative and proposed amended Bylaw

Clause 5.5.3

Fees and charges specified include GST and are maximum charges and Council shall have the power to reduce such charges when in the Council's view special circumstances warrant a lesser charge being made.

In my June report to the Golden Bay Community Board I made the following comments

As part of my administrative management of Port Taranokohe I have reviewed the fees and charges at the Port to aim for improved fiscal returns. A paradox has been to reduce the fish wharfage charge from \$9.75 to \$6.00 per tonne.

Whilst I had suggested that a higher charge be pursued, following discussion with the Port Users Advisory Committee (who include all ranges of users) it was considered

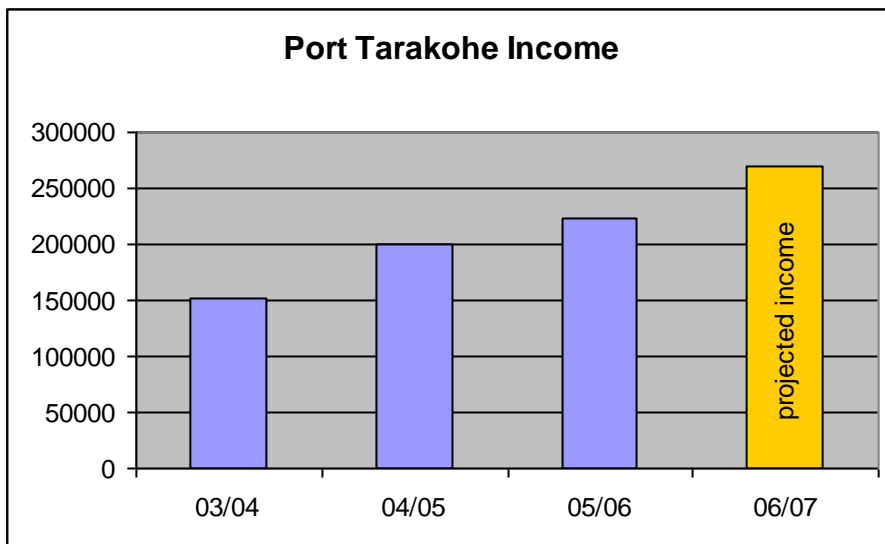
that the \$6.00 charge would maximize profitability and that a higher charge would likely result in boats taking fish to Westport who only charge \$5.00 per tonne for fish.

The matter is now going through the formal process under the review of the Navigation Safety Bylaw and the Board is free to make any submission on the matter before 6 July.

Further discussions with the Port Users are underway but the charges relating to wet fish at \$6.00 per tonne I believe the maximum to ensure profitability.

It also has to be noted that other ports provide much more sophisticated facilities for fish and shell fish bearing in mind that the port's original purpose was for shipping out cement. Also the fact that no significant processing for fish is available in Golden Bay that road transport to processing factories in Nelson must be considered.

Income form the port for the current financial year is expected to be circa \$223,000 this is up from \$151,427 for 03/04 and \$199,714 for 04/05. And with the charges proposed plus improvements in collection I anticipate the 06/07 income to be \$270,000 plus.



Whilst the charges are subject to the full public consultation process I am happy for interested parties to make their submissions know so that at the end of the day we should be able to get the best returns from the port which is an opinion expressed by all stakeholders.

SEA SQUIRT

No doubt Committee members would have read the newspaper article that announced that a potentially virulent and unwanted species of sea squirt had been found in a localised area at Port Tarakohe.

This infection appears to have occurred only since March this year when our Port was checked for the organism.

There are over three hundred varieties of sea squirt and whilst many are no more than a nuisance the virility and ability to spread of this one is of particular concern to marine farmers.

Immediately following the identification of the organism the marine farm industry together with the Harbour Manager and our Bio-Security staff have launched a rapid response to clear the port of the organism.

There is a high level of confidence that this localised infection will be completely eradicated but vigilance for any future infection will have to remain.

RECOMMENDATION

That the Port Administration Managers report be received.

B Askew
Port Taranaki Administration Manager