

maritime operations

GROUP OF ACTIVITIES



STATEMENT OF COST OF ACTIVITIES

maritime operations

For the year ended 30 June 2010

Actual 30-Jun-09 Cost of Services \$		Note	Actual 30-Jun-10 Cost of Services \$	LTCCP 30-Jun-10 Cost of Services \$	Variance \$
	REVENUE				
98,329	Grants and Subsidies		119,640	114,489	5,151
658,166	User Charges	1	688,719	550,515	138,204
12,000	Other Revenue		12,000	24,000	(12,000)
<u>768,495</u>	TOTAL OPERATING REVENUE		<u>820,359</u>	<u>689,004</u>	<u>131,355</u>
	EXPENDITURE				
594,926	Personnel Costs		638,720	668,294	29,574
101,150	Depreciation		127,926	110,320	(17,606)
391,300	Other Operating Expenses		359,483	326,424	(33,059)
317,553	Support Costs internally allocated to Activity		344,773	336,738	(8,035)
<u>1,404,928</u>	TOTAL OPERATING EXPENDITURE		<u>1,470,902</u>	<u>1,441,776</u>	<u>(29,127)</u>
101,150	Less non cash items		127,926	110,320	(17,606)
<u>535,283</u>	NET CASH COST / (SURPLUS) OF ACTIVITY		<u>522,617</u>	<u>642,452</u>	<u>119,834</u>
	<i>Funded by:</i>				
–	Targeted Council Service Rate		268,853	338,332	69,479
465,419	Investment Income		80,861	102,290	21,428
69,864	Transfer from / (to) Cash Reserves		172,903	201,830	28,927
<u>535,283</u>	TOTAL OPERATING FUNDING		<u>522,617</u>	<u>642,452</u>	<u>119,834</u>
115,208	CAPITAL EXPENDITURE	2	128,775	56,600	(72,175)
	<i>Funded by:</i>				
100,250	Targeted Council Service Rate		127,926	56,600	(71,326)
14,958	Transfer from Cash Reserves		849	–	(849)
<u>115,208</u>	TOTAL CAPITAL FUNDING		<u>128,775</u>	<u>56,600</u>	<u>(72,175)</u>
	TOTAL OPERATING EXPENDITURE BY ACTIVITY				
1,166,105	Harbour Safety and Navigation		1,313,779	1,292,826	(20,953)
238,823	Oil Pollution		157,123	148,950	(8,173)
<u>1,404,928</u>	TOTAL MARITIME OPERATIONS		<u>1,470,902</u>	<u>1,441,776</u>	<u>(29,127)</u>

Variance compared to LTCCP

Revenue

- Revenue from user charges is greater than forecast due to a number of items including:
 - an increased number of navigation structures attracting Navigation Bylaw fees;
 - increased pilotage revenue as a result of more ships having visited the region than forecast;
 - unbudgeted revenue from chartering out Council's vessel "Waikare" to NIWA for use in research work being undertaken; and
 - insurance proceeds received for damaged navigation aids.

Capital Expenditure

- Expenditure on capital items is greater than forecast due to two navigation aids being replaced as a result of storm damage. The increase in capital expenditure is offset by unbudgeted revenue from insurance claim proceeds for the damaged navigation aids.

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Marine Operations Overview

Oil pollution response

The Marine Oil Spill Contingency Plan for Northland was subject to a major update in February 2010 in order to maintain correct information in the Plan. Response partnership memoranda with key stakeholders were updated.

Two regional response team training exercises were completed. The first exercised the ability to carry out on-water containment, recovery and storage of oil. The second exercise ran over two days in May 2010 and involved the establishment of an Incident Command Centre in Whāngārei to manage the aerial application of oil dispersant and a major shoreline cleaning operation at Bream Bay.

A total of 34 reported marine oil spills were responded to in accordance with the Plan during the 12 months to 30 June 2010.

Harbour safety and navigation

The Whāngārei and Bay of Islands Risk Assessments and Safety Management Systems were reviewed and updated. The 2006 Code Application Assessment for all other Northland harbours was reviewed but no changes were considered necessary.

A significant upgrade of aids to navigation on Rangaunu Harbour was completed and maintenance carried out on all Houhora Harbour aids to navigation. Aids to navigation throughout Northland were maintained in full working order.

Council's team of harbour wardens was increased to 18 with the appointment of wardens for Pataua and Whangaruru. The Northland-wide warden team continues to provide a valuable source of local knowledge and advice. Harbour patrols were carried out on the busiest harbours during December and January and were augmented by a Northland-wide commercial radio campaign. The Council responded to 290 maritime incidents during the year.

A record number of cruise ships visited Northland with 29 cruise ships and two super-yachts piloted safely into and out of the Bay of Islands.

A hydrographic survey was completed for the upper Whāngārei Harbour and the results were made available on the Council's website.

Activity 11.1 Oil Pollution Response

Objective: To minimise the risk and adverse effects of marine oil spills on the Northland environment.

2010-2012 Performance Measures and Targets

11.1.1 Maintain and implement the Marine Oil Spill Contingency Plan.		
Performance Measures and Targets	Actual Service Performance to 30 June 2010	Actual 30 June 2009
a. Maintain an up-to-date Marine Oil Spill Contingency Plan. <ul style="list-style-type: none"> Plan updated every six months. 	Achieved. Improvement of environmental information in the Plan is an ongoing process. Oil spill contingency plan updated in March 2010.	Achieved.
b. Ensure appropriate equipment is available to respond to oil spills in accordance with the plan. <ul style="list-style-type: none"> Provide quarterly equipment maintenance reports to Maritime New Zealand. 	Achieved. All quarterly maintenance completed on schedule and returns provided to Maritime New Zealand. Equipment stockpile continually reviewed in co-operation with Maritime New Zealand.	New measure.
c. Conduct oil spill response exercises. <ul style="list-style-type: none"> Exercises undertaken as detailed in the plan. 	Achieved. In accordance with the Plan two oil spill response exercises were carried out these were: <ul style="list-style-type: none"> Field exercise "Ro-Boom 2009" in December 2009. Combined desk-top and field response exercise "Bream Bay 2010" in May 2010. 	New measure.

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Oil Pollution Response continued

11.1.2 Respond to marine oil spills in the Northland region.		
Performance Measures and Targets	Actual Service Performance to 30 June 2010	Actual 30 June 2009
<p>a. Maintain a team of trained oil spill responders.</p> <ul style="list-style-type: none"> Maritime NZ Training is carried out on an ongoing four-yearly cycle and a 24/7 roster is maintained. 	<p>Achieved.</p> <p>Response personnel received scheduled training on Maritime New Zealand courses. Regional On-Scene Commander roster was in place throughout the year.</p>	New measure.
<p>b. Provide equipment to support an oil spill response.</p> <ul style="list-style-type: none"> File a Maritime NZ return for equipment maintenance on a quarterly basis. 	<p>Achieved.</p> <p>Quarterly maintenance returns provided to Maritime New Zealand.</p>	New measure.
<p>c. Develop and maintain current memoranda of understanding with response partners.</p> <ul style="list-style-type: none"> Jointly assessed between partners on an annual basis and reported annually. 	<p>Achieved.</p> <p>MoU's reviewed and updated in April 2010 and reported to Council.</p>	New measure.
<p>d. Monitor oil transfer sites for compliance with oil spill prevention and response capability requirements.</p> <ul style="list-style-type: none"> Monitor and report compliance on an annual basis. 	<p>Achieved.</p> <p>Site inspections for all fixed oil transfer sites carried out in May and June 2010. Mobile site (trucks) inspections are ongoing. Revised oil transfer site inspection criteria developed by Maritime New Zealand.</p>	New measure.
<p>e. Record all marine oil spill response actions.</p> <ul style="list-style-type: none"> Report monthly in the CEO's report to Council. 	<p>Achieved.</p> <p>All response actions reported to Council monthly in the CEO Report. Recorded the response to 34 marine oil spill reports.</p>	New measure.



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Oil Pollution Response continued

Significant positive and negative effects on well-being

The Oil Pollution Response activity may have the following impacts on well-being:

Well-beings	Positive effects	Negative effects
Social	Minimise risk to the community's safety and health from oil pollution.	Potential for temporary disruption of other activities during clean up operations.
Economic	Response capability cleans up oil spills and returns the affected area to normal as soon as possible.	Recovery costs has an impact on the spiller. Potential prosecution impacts. Potential for localised temporary impact on businesses during a spill clean up, e.g. a marina may be closed.
Environmental	Minimises the effect on the natural and developed environments, including flora and fauna.	Response operations have potential for negative effect on the environment. Analysis of response techniques and desired outcomes minimises this.
Cultural	Minimises the risk to identified sites of cultural importance.	There is potential for sites of cultural significance to be damaged by response operations. We work closely with our stakeholders to minimise this.

Activity 11.2 Harbour Safety and Navigation

Objective: To provide services that promote safe navigation and use of Northland harbours and coastline.

2010-2012 Performance Measures and Targets

11.2.1 Promote safe navigation on all Northland harbours and coastline.		
Performance Measures and Targets	Actual Service Performance to 30 June 2010	Actual 30 June 2009
a. Update the risk assessment and safety management systems for the Whāngārei and Bay of Islands harbours. <ul style="list-style-type: none"> Annually reviewed and reported monthly in the CEO's report to Council. 	Achieved. Whāngārei and Bay of Islands risk assessments and safety management systems are continually reviewed. Whāngārei annual review completed in August 2009 and two Bay of Islands Harbour Safety Meetings held in November 2009 and March 2010 and reported to Council. The risk assessment for Whangarei was updated with changes. There were no changes to the Bay of Islands risk assessment. Both safety management systems were updated.	New measure.
b. Assess whether the present harbour safety management systems are adequate. <ul style="list-style-type: none"> Code application assessment annually reviewed and amendments recorded in the safety management system. 	Achieved. Formal Safety Management Systems for Whāngārei and Bay of Islands regularly assessed for adequacy. Existing Code Application Assessment reviewed on a continual basis and any improvements recorded in the appropriate sections of the safety management system. No changes were required to the code this year.	Achieved.

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Activity 11.2 Harbour Safety and Navigation continued

11.2.1 Promote safe navigation on all Northland harbours and coastline.		
Performance Measures and Targets	Actual Service Performance to 30 June 2010	Actual 30 June 2009
<p>c. Develop harbour safety management plans for harbours not covered by formal safety management systems.</p> <ul style="list-style-type: none"> Three harbour safety management plans per annum by 30 June each year and reported monthly in the CEO's report to Council. 	<p>Not achieved.</p> <p>Harbour Safety Management Plans development commenced but not completed due to competing tasks taking higher priority. Development work for Mangawhai, Taipā, Coopers Beach and Mangōnui and Whananaki will continue. No timescale has been allocated for completion at this time.</p>	New measure.
<p>d. Maintain a network of harbour wardens and patrols to promote compliance with the Navigation Safety Bylaw 2007.</p> <ul style="list-style-type: none"> Incidents and investigations are reported monthly in the CEO's report to Council. 	<p>Achieved.</p> <p>Warden network in place with a total of 18 wardens distributed throughout Northland. A new Warden for Whangaruru Harbour will be appointed in September 2010.</p> <p>Incidents reported monthly to Council. Wardens primary role is education and advice, and they assist with incidents as required.</p>	Achieved.
<p>e. Provide safety advice and pilotage for vessels entering into the Bay of Islands.</p> <ul style="list-style-type: none"> Advice provided and pilotage numbers reported monthly in the CEO's report to Council. 	<p>Achieved.</p> <p>Bay of Islands pilotage completed for 29 ships and two superyacht visits.</p> <p>All pilotage movements completed safely and reported to Council.</p>	Achieved.
<p>f. Provide and maintain aids to navigation as required for safe navigation on Northland harbours.</p> <ul style="list-style-type: none"> Six-year rolling maintenance programme is undertaken and activity reported monthly in the CEO's report to Council. 	<p>Achieved.</p> <p>Aids to navigation provided and maintained in accordance with the six-year rolling maintenance plan.</p> <p>Response to failures and maintenance activities reported to Council monthly.</p> <p>Aids to navigation maintenance completed on Rangaunu and Houhora harbours, Pārengarenga maintenance assessed and deferred due to the satisfactory condition of the beacons. The above harbours were as planned in the six-year rolling maintenance plan.</p>	Achieved.
<p>g. Provide a 24/7 maritime navigation and safety incident reporting and response system.</p> <ul style="list-style-type: none"> Incidents and investigations reported monthly in the CEO's report to Council. 	<p>Achieved.</p> <p>Incident reporting to Council done monthly. A total of 290 maritime incidents were responded to and reported.</p>	Achieved.

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Activity 11.2 Harbour Safety and Navigation continued

Significant positive and negative effects on well-being

The Harbour Safety and Navigation activity may have the following impacts on well-being:

Well-beings	Positive effects	Negative effects
Social	Promotion of safety, provision of aids to navigation and navigation safety advice. Moorings administration. Incident response.	Enforcement of bylaws can be viewed negatively by some members of the community.
Economic	Promotion of navigation safety to assist development of port, shipping and ship building/repair. Bay of Islands pilotage assists thousands of cruise ship passengers to visit an iconic Northland destination.	Cost associated with compliance requirements for navigation safety, such as pilotage, may be viewed negatively.
Environmental	Incident response. Pilotage increases safety and minimised the potential for negative effects on the environment.	Visual impact of aids to navigation, moorings etc.



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