

STATEMENT OF COST OF ACTIVITIES

maritime operations

For the year ended 30 June 2011

Actual 30-Jun-10 Cost of Services \$		Note	Actual 30-Jun-11 Cost of Services \$	Annual Plan 30-Jun-11 Cost of Services \$	Variance \$
	REVENUE				
119,640	Grants and Subsidies		90,750	127,714	(36,964)
688,719	User Charges	1	696,388	610,128	86,260
12,000	Other Revenue		12,000	21,000	(9,000)
<u>820,359</u>	TOTAL OPERATING REVENUE		<u>799,138</u>	<u>758,842</u>	<u>40,296</u>
	EXPENDITURE				
638,720	Personnel Costs	2	584,652	679,489	94,837
127,926	Depreciation		130,228	113,961	(16,267)
359,483	Other Operating Expenses		309,291	369,928	60,637
344,773	Support Costs internally allocated to Activity		381,193	352,631	(28,562)
<u>1,470,902</u>	TOTAL OPERATING EXPENDITURE		<u>1,405,365</u>	<u>1,516,009</u>	<u>110,644</u>
127,926	Less Non-Cash Items		130,228	113,961	(16,267)
<u>522,617</u>	NET CASH COST/(SURPLUS) OF ACTIVITY		<u>475,998</u>	<u>643,206</u>	<u>167,208</u>
	Funded by:				
268,853	Targeted Council Service Rate		369,566	315,651	(53,915)
80,861	Investment Income		173,145	164,387	(8,758)
172,903	Transfer from/(to) Cash Reserves		(66,713)	163,168	229,881
<u>522,617</u>	TOTAL OPERATING FUNDING		<u>475,998</u>	<u>643,206</u>	<u>167,208</u>
128,775	CAPITAL EXPENDITURE		63,080	92,060	28,980
	Funded by:				
127,926	Targeted Council Service Rate		63,080	92,060	28,980
849	Transfer from Cash Reserves		–	–	–
<u>128,775</u>	TOTAL CAPITAL FUNDING		<u>63,080</u>	<u>92,060</u>	<u>28,980</u>
	TOTAL OPERATING EXPENDITURE BY ACTIVITY				
1,313,779	Harbour Safety and Navigation	2	1,260,165	1,367,730	107,565
157,123	Oil Pollution		145,200	148,279	3,079
<u>1,470,902</u>	TOTAL MARITIME OPERATIONS		<u>1,405,365</u>	<u>1,516,009</u>	<u>110,644</u>

Variance compared to 2010-2011 Annual Plan:

Revenue

1. User Charges revenue is above budget due to increased fees received from more fee-eligible structures than originally estimated and an unbudgeted contribution from the Whāngārei District Council to assist in funding the Hātea River Maintenance programme.

Expenditure

2. Harbour Safety and Navigation expenditure is under budget due to lower wages and salaries costs as a result of a staff members being off work and a vacant position, and lower than budgeted vessel-related expenditure.

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The Maritime Operations Group of Activities includes:

- Harbour safety and navigation
- Oil pollution response

Why we do these activities

Harbour safety and navigation activities provide for the movement of commercial and recreational vessels, and promote and regulate safe boating and shipping practices to minimise boating and shipping accidents. The oil pollution response activity is to avoid or mitigate the effects of oil spills on Northland's marine environment. The council monitors high risk areas and maintains contingency plans, equipment and trained staff to respond when necessary.

Contribution to community outcomes

Northland residents are safe and healthy by:

- Promotion of safety on the water via maritime safety education and advice, patrols and enforcement of safety regulations, provision of aids to navigation.
- Developing Harbour Safety Management Plans.

Northland's infrastructure is developed in a sustainable way by:

- Provision of aids to navigation and pilotage services increasing safety for boats and people aboard.

Northland's natural environment is sustainably managed by:

- Minimising the adverse effects of marine oil spills on the environment.
- Assisting with the response to water-based biosecurity incursions.

Northland is prosperous by:

- Providing increased tourism opportunities through the pilotage of cruise ships to the Bay of Islands and navigation safety advice for other Northland destinations.

Northland retains and enhances its regional identity by:

- Contributing to Northland being seen as a place to safely enjoy coastal, boating and tourist activities.

Northland residents have access to recreational and leisure opportunities by:

- Promoting awareness and good practice for sustainable marine-based recreation and leisure activities.
- Providing navigation aids to facilitate access to the marine environment for the purposes of recreation.

What we did

A hydrographic survey of the Whāngārei Harbour was completed in May 2011, surveying all the main channels including the Hātea River to the Town Basin. The survey showed that there had been some shallowing in parts of the upper harbour. Dredging of the Hātea River is to be arranged to maintain the one metre below chart datum channel depth. This project is a partnership between the



regional council, Whāngārei District Council, and the Whāngārei Marina Trust, with input from some other stakeholders. The Hātea River Working Group is managing the project.

Equipment in Northland's 15 main harbours, including bouys and beacons, is maintained on a six-year maintenance schedule. The Northern Kaipara, currently home to several dozen navigation aids had general maintenance undertaken in March 2011. The work included the installation of several new buoys especially designed for strong current areas, as well as a new five mile LED light at Poutō Point and investigation of an uncharted rock in the Hargreaves Basin. The capital expenditure budget was \$60,500 and we spent \$33,156; the operational budget for harbour maintenance was \$75,409 and we spent \$53,739.

Northland Regional Council staff attended the Hutchwilco Boat Show in Auckland in May at a joint stand with Auckland, Bay of Plenty and Waikato regional councils to promote navigational safety messages within our region

Following a number of tsunamis, a tsunami system for communication and action with key players was developed and tested at the main port for safety of shipping.

The Maritime staff have been working on encouraging superyachts to Northland by developing industry contacts. Three superyachts visited the Bay of Islands last year and one is now based in Whāngārei.

A joint equipment deployment exercise was undertaken at Northport for the oil spill response team and port responders. Large skimmers, portable booms and the spill recovery vessel were part of the exercise. A total of 23 reported marine oil spills were responded to during the 12 months to 30 June 2011 (compared to 34 reported spills in the previous year).

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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 2011
<p>a. Maintain an up-to-date Marine Oil Spill Contingency Plan.</p> <ul style="list-style-type: none"> Plan updated every 12 months. 	<p>Achieved (2010: Achieved).</p> <p>The annual and statutory three-yearly comprehensive review and updating of the plan was approved by Maritime New Zealand on 11 November 2010.</p>
<p>b. Ensure appropriate equipment is available to respond to oil spills in accordance with the plan.</p> <ul style="list-style-type: none"> Provide quarterly equipment maintenance reports to Maritime New Zealand. 	<p>Achieved (2010: Achieved).</p> <p>Maritime New Zealand-owned equipment is stockpiled at Marsden Point, Robert Street, Whāngārei and Ōpua in the event that it is required for deployment. All quarterly maintenance was completed on schedule and returns sent to Maritime New Zealand. The maintenance ensured that the equipment was fit for purpose if required.</p>
<p>c. Conduct oil spill response exercises.</p> <ul style="list-style-type: none"> Exercises undertaken as detailed in the marine oil spill preparedness and response activities budget proposal. 	<p>Achieved (2010: Achieved).</p> <p>Two equipment deployment exercises for specialised oil skimming and recovery equipment were completed in February and April as part of an ongoing equipment familiarisation programme for response personnel.</p> <p>After an extensive desk-top exercise last year, this year's scheduled desk-top exercise was deferred to next year, with approval of Maritime New Zealand.</p>

11.1.2 Respond to marine oil spills in the Northland region.	
Performance Measures and Targets	Actual Service Performance to 30 June 2011
<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 as required basis cycle and a 24/7 roster is maintained. 	<p>Achieved (2010: Achieved).</p> <p>Response personnel have received scheduled training on Maritime New Zealand courses. Maritime response roster supported by the regional on-scene commander roster, was in place throughout the year providing 24/7 coverage.</p>
<p>b. Ensure that council-owned vehicles, vessels and equipment are made available 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 (2010: Achieved).</p> <p>Maintenance carried out and returns sent to Maritime New Zealand as required by agreement.</p>

Activity 11.1 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 2011
<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 (2010: Achieved). Agreements were signed with all response partners.</p>
<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>Not achieved (2010: Achieved). All fixed transfer sites have been inspected and non-compliance reports sent to owners where appropriate. Tanker truck plans have not been audited due to other work commitments taking priority. These audits will be conducted in 2011-2012.</p>
<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 (2010: Achieved, 34 oil spills). All response actions recorded and reported to council monthly in the CEO Report. There were 23 oil spills that required attention and were cleaned up.</p>

Significant positive and negative effects on wellbeing

The Oil Pollution Response activity may have the following impacts on wellbeing:

Wellbeing	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.

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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 2011
<p>a. Update the risk assessment and safety management systems for the Whāngārei and Bay of Islands harbours.</p> <ul style="list-style-type: none"> Annually reviewed and reported monthly in the CEO's report to council. 	<p>Achieved (2010: Achieved).</p> <p>Whāngārei and Bay of Islands risk assessments and safety management systems are continually reviewed.</p> <p>Both systems were audited and accepted by Maritime New Zealand on 4 November 2010.</p> <p>Annual review by stakeholders, following the Maritime New Zealand audit, was held on 9 December 2010.</p>
<p>b. Assess whether the present harbour safety management systems are adequate.</p> <ul style="list-style-type: none"> Code application assessment annually reviewed and amendments recorded in the safety management system. 	<p>Achieved (2010: Achieved).</p> <p>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.</p> <p>No changes were required to the code this year.</p>
<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 (2010: Not achieved).</p> <p>Harbour Safety Management Plans development commenced but not completed due to competing tasks taking higher priority, and reduced staffing due to recruitment delays.</p> <p>Development planning work for Mangawhai is the priority. A community meeting with key stakeholders was held on 10 March 2011 and a plan has been agreed but has yet to be formalised. Consultation on the plan is scheduled for the summer season of 2012 to coincide with the consultation on the Navigation and Safety Bylaw with the harbour safety management plan finalised in March 2012.</p>

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 2011
<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 (2010: Achieved).</p> <p>Warden network in place with a total of 20 wardens distributed throughout Northland (two for summer season only.) New wardens have been appointed for Whangaruru, and Tutukākā Harbours, an additional warden for Mangawhai, and a replacement warden for Whangaroa, in the last six months.</p> <p>Incidents are reported monthly to the council. The wardens' primary role is to educate and provide advice to members of the public, and assist with incidents as required. There were 392 incidents reported for the year; compared to 322 for the previous year.</p>
<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 (2010: Achieved).</p> <p>Bay of Islands pilotage completed for 2010-2011 season included 36 bookings with three cancellations. An additional three super-yacht pilotages were completed.</p> <p>All pilotage movements were completed safely and reported to council.</p>
<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 (2010: 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 Whāngārei Harbour as per the six- year plan, including the re-building of three beacons. Kaipara and Hokianga maintenance scheduled for 2011-2012 are being completed early (by mid April 2011) due to an extended cruise season in 2011-2012. Kaipara maintenance includes the upgrade to a new design buoy for high currents.</p>
<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 (2010: Achieved).</p> <p>Incident reporting to council completed monthly.</p>

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Activity 11.2 Harbour Safety and Navigation continued

Significant positive and negative effects on wellbeing

The Harbour Safety and Navigation activity may have the following impacts on wellbeing:

Wellbeing	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.

