

Decision released from confidential session			
Recommendation from (agenda report)	Date of meeting	Recommendation to (decision-making meeting)	Date of meeting
Environment and Climate	16/06/2022	Council	12/07/2022
Report Title and number			
Harbourmaster vessel – R26944			
Documents released			
Decision, Report and Attachments			
Decision			
Resolved CL/2022/147			
<i>That the Council</i>			
<ol style="list-style-type: none"> 1. <i><u>Approves</u> the \$300,000 capex budgeted in 2022/23 for the purchase and upgrade of a replacement harbourmaster vessel; and</i> 2. <i><u>Approves</u> the sale of the current harbourmaster vessel to off-set the costs of the replacement vessel once the purchase of that vessel has been confirmed; and</i> 3. <i><u>Agrees</u> that officers assess the costs of an electric harbourmaster vessel and provides this as part of the Long Term Plan process; and</i> 4. <i><u>Agrees</u> that Report (R26944), Attachments (A2895733, A2895734) and the decision remain confidential at this time, until negotiations for the purchase of the replacement vessel have been concluded.</i> 			
<u>Carried</u>			

CONFIDENTIAL

Item 4: Harbourmaster vessel

Environment and Climate
Committee



16 June 2022

REPORT R26944

Harbourmaster vessel

1. Purpose of Report

- 1.1 To request approval for the purchase of a replacement vessel for harbourmaster services.

2. Summary

- 2.1 The current harbourmaster vessel is over 20 years old and is in need of replacement engines and other parts that total \$180,000. A larger vessel more suited to the harbourmaster services is for sale locally that is half the age of the current vessel and has near new engines. The total cost to purchase the vessel and make some upgrades is \$300,000. The proceeds from the sale of the current vessel are expected to offset this cost by \$60,000.
- 2.2 There is a 2022/23 capex budget of \$300,000. It is proposed to use this budget to purchase a replacement vessel rather than repair the current vessel.

3. Recommendation

That the Environment and Climate Committee

- 1. Receives the report Harbourmaster vessel (R26944) and its attachments (A2895733, A2895734); and***

Recommendation to Council

That the Council

- 1. Approves the \$300,000 capex budgeted in 2022/23 for the purchase and upgrade of a replacement harbourmaster vessel; and***

CONFIDENTIAL

Item 4: Harbourmaster vessel

2. ***Approves the sale of the current harbourmaster vessel to off-set the costs of the replacement vessel once the purchase of that vessel has been confirmed; and***
3. ***Agrees that Report (R26944), Attachments (A2895733, A2895734) and the decision remain confidential at this time, until negotiations for the purchase of the replacement vessel have been concluded.***

4. Exclusion of the Public

- 4.1 This report has been placed in the confidential part of the agenda in accordance with section 48(1)(a) and section 7 of the Local Government Official Information and Meetings Act 1987. The reason for withholding information in this report under this Act is to:
 - Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

5. Background

- 5.1 The current harbourmaster vessel, Kaiarataki o Otemaiea, is over 20 years old and has seen service as an Americas Cup boat and a Coastguard vessel. It was purchased by Council in 2016 (for \$89,000 for the boat, trailer and pontoon) as an improvement to the previous boat that had rigid sides and limited protection from the weather and rough seas (see Attachment 1 for the vessel details at the time of purchase).
- 5.2 A suitable vessel is required to deliver Council's navigation safety function. The harbourmaster vessel is a critical tool in maintaining a presence on the water, continued education and response capability to search and rescue operations. This year a swimmer was rescued off Tahunanui back beach as the harbourmaster was on patrol nearby. The extra 10-15 minutes response time from Coastguard or surf lifesaving would have resulted in a different outcome.
- 5.3 The rigid inflatable vessel has been suitable for harbourmaster services as it frequently comes alongside other vessels and can run onto beaches and ramps in the course of duties. The vessel was the first on scene at the Boulder Bank fire and transported Fire and Emergency officers and their equipment to the site.
- 5.4 The harbourmaster vessel has been regularly maintained and the engine mechanics state that due to age and hours on the engines (over 2,200 hours), engine reliability cannot be assumed. In February this year water was found in one gearbox during a routine service requiring replacement parts to be shipped from Australia and the vessel was out of action for two weeks. In April the five yearly survey noted cracking on the

CONFIDENTIAL

Item 4: Harbourmaster vessel

superstructure and degradation of the inflatable tubes. In addition, the windows leak during rain and sea spray and on-board electronics frequently switch off.

- 5.5 Estimates to replace engines, inflatable tubes, windows and electronics is a total \$180,000 (a quote for this work will be provided at the Committee meeting). To sell the vessel as is would provide approximately \$60,000 - \$80,000. A valuation of the current vessel will be provided at the Committee meeting.
- 5.6 A suitable replacement vessel is on sale locally now for \$185,000 (see Attachment 2 for details). An additional \$115,000 would be required to add items required for harbourmaster services, bringing the total spend to \$300,000 (a valuation of the replacement vessel and quote for the upgrade work will be provided at the Committee meeting). By way of comparison a new vessel build would cost around \$600,000 and take up to two years to complete.
- 5.7 The table below identifies the various costs for repairing, replacing or custom building a vessel:

	Repair (age 20 yrs)	Replacement (age 10 yrs)	Custom build (new)
vessel type	soft sided rib (8.5m length)	Wavebreak 11 alloy rib (11m length)	Custom
value	\$60,000 - \$80,000	\$185,000	\$600,000
anticipated life	5 years (after repairs and as long as other faults do not appear)	10 years	20 years (expect some repairs and replacement to occur after 5 years)
repairs or additions	engines - \$80k tubes - \$50k electronics - \$20k windows - \$30k	survey - \$25k pump, holding tank, electronics, signage, lights, horn, PA - \$90k	nil
TOTAL EXPENDITURE	\$180,000	\$300,000	\$600,000

6. Discussion

- 6.1 While the repairs on the current vessel can occur over time and therefore have less impact on the budget, it is likely that more repairs will be required in the immediate future given the age of the vessel. Overall, the costs will then likely be higher for Council compared with replacing the vessel now.
- 6.2 The proposed replacement vessel has the following advantages over the current vessel:
- Is larger and has better sea keeping ability (steadier in wave conditions). This increases the capacity for patrols and will cover all risk assessment areas. The current vessel is limited to approximately 15 knots wind strength outside the Cut. The proposed vessel was

CONFIDENTIAL

Item 4: Harbourmaster vessel

purpose-built for trips to D'Urville Island and manages difficult water conditions.

- Separate toilet and galley facilities to enable longer patrol hours (no facilities currently – only a bucket). The running costs will be reduced as the vessel won't need to return to the marina for breaks or office work
- The vessel is half the age and is in good condition. With some upgrading it will future proof the capacity for another 10 years.
- New engines (67 hours) will improve reliability and efficiency and reduce ongoing costs. The warranty for the engines can be transferred.
- Increased capacity for Council functions such as environmental testing (currently have low wind limits for trips to outer sites such as Cape Soucis).
- The vessel includes a pot hauler which will enable the recovery of logs more efficiently, decreasing the risk of personal injury. There is no lifting capacity on the current vessel. For larger logs, the use of contract vessels is an additional cost for Council. The servicing of Aids to Navigation would be possible with the replacement vessel, as there isn't the room or lifting ability on the current vessel.
- Increased emergency response capacity. Could incorporate a bilge or fire pump which the current vessel has no space for. This would enable the harbourmaster to assist sinking vessels or responding to fires. Tasman's harbourmaster vessel has this capability, and it gets used regularly.
- Increased search and rescue capability for the region.
- Would meet requirements for towing to survey (the current vessel does not).

6.3 It is considered better value for money to replace the current vessel with the proposed vessel (half the age and near new engines) instead of using funds budgeted in 2022/23 to replace the current vessel's engines and to undertake the other necessary repairs. Upgrades to the replacement vessel will be required for harbourmaster tasks include signage, horn, lights, PA system and other electronics. A pump and holding tank will need to be fitted for when the toilet is used close to shore. The estimated cost for these additions or upgrades is \$90,000.

6.4 The boat will also need to be surveyed. This is an inspection to ensure the vessel is fit for purpose and is required for all vessels used for commercial purposes. The survey will cost \$25,000. Replacing the current vessel has immediate costs of \$300,000 (offset by the sale of the current vessel at \$60,000), compared to \$180,000 immediate costs to repair the current vessel. It is likely the current vessel will require further repairs in the future given its age costing more.

CONFIDENTIAL

Item 4: Harbourmaster vessel

- 6.5 The replacement vessel is larger, half the age of the current vessel and more suited to the harbourmaster services. The replacement vessel represents better value in the long term.
- 6.6 The option of purchasing a custom-built vessel is expensive and would take up to two years. Tasman District Council's harbourmaster vessel was custom built five years ago for \$500,000. With the cost of supply rapidly increasing the custom build option may not represent the best value for money at this time particularly given repairs to the current vessel will need to occur in any two-year period of construction for a new vessel.
- 6.7 Officers have considered replacing the current vessel with an electric powered vessel. Currently the battery capacity for electric motors limits the range of the vessel. It is expected developments in this technology will mean retrofitting the vessel with electric motors could be a viable option in five years' time. Officers will consider replacing the vessel's motors with electric motors in the next Long Term Plan process.
- 6.8 New purpose built electric powered vessels cost more to build than new boats powered by combustion engines, but they are cheaper to run and require less maintenance. Financial equity is realised if a new electric vessel is owned for over 10 years compared to a new vessel with combustion engines (note a quote for a new electric powered vessel was not able to be obtained in time for this meeting). There are few second-hand electric vessels on the market in New Zealand and officers do not recommend this option given the current range limitations.

7. Options

- 7.1 Electric motors do not currently provide the required range for our region so are not included in the options table. This option will be considered in the future when the vessel's motors need replacing. The repair of the current vessel is the lowest immediate cost to Council. However, it is likely further maintenance and repairs will be required going forward given the vessels age.
- 7.2 A purpose-built vessel would provide the ideal boat for harbourmaster duties but there's uncertainty of the cost and timeframe to achieve this given current supply shortages and escalating prices. In the interim the repairs to the existing vessel would need to occur. The preferred option, option 2, is to replace the harbourmaster vessel with a newer, more suitable vessel currently for sale in Nelson.

Option 1: Retain the current vessel	
Advantages	<ul style="list-style-type: none">• Less immediate cost
Risks and Disadvantages	<ul style="list-style-type: none">• Will likely require further repairs• Less capabilities than the proposed replacement vessel

CONFIDENTIAL

Item 4: Harbourmaster vessel

Option 2: Replace the vessel (RECOMMENDED OPTION)	
Advantages	<ul style="list-style-type: none">• Greater capabilities than the current vessel• Unlikely to mean as many repairs going forward
Risks and Disadvantages	<ul style="list-style-type: none">• Has a \$300,000 financial impact (offset by \$60,000 for the sale of the current vessel)
Option 3: Custom-build a new vessel	
Advantages	<ul style="list-style-type: none">• Greatest capabilities• Fewest repairs• Could incorporate electric engines with lower running costs
Risks and Disadvantages	<ul style="list-style-type: none">• Has a \$600,000 plus financial impact (offset by \$60,000 for the sale of the current vessel) plus repairs would need to be made to the current vessel while the boat is being built• Costs and timeframe could be higher and longer in the current economic context

8. Conclusion

8.1 The proposed replacement vessel is more suited to outer harbour conditions as it was purpose-built for trips to D'Urville Island. It is larger and has more facilities and capabilities than the current vessel. The current vessel requires repairs or replacements. It is considered better value to use the repair money to contribute to the purchase of a newer vessel currently for sale in Nelson.

9. Next Steps

9.1 Negotiate the purchase of the vessel and make appointments and purchases for the required upgrades. Arrange for the sale of the current vessel effective from when the replacement vessel is ready for harbourmaster duties.

Author: Mandy Bishop, Manager Consents and Compliance

Attachments

Attachment 1: A2895733 Current vessel details at time of purchase

Attachment 2: A2895734 Proposed replacement vessel details

CONFIDENTIAL

Item 4: Harbourmaster vessel

Important considerations for decision making
<p>1. Fit with Purpose of Local Government</p> <p>A suitable vessel is required to deliver the navigation safety function in an efficient and effective manner and provides community well-being.</p>
<p>2. Consistency with Community Outcomes and Council Policy</p> <p>The Long Term Plan identifies community benefits in ensuring navigation safety. The recommendation is consistent with providing this outcome.</p>
<p>3. Risk</p> <p>The risk of disruption to navigation safety operations while repairs are being made to the current vessel can be offset by chartering another vessel, but this is more costly, and the chartered vessel may not have all capabilities required for harbourmaster services. There is a low to moderate safety risk for the harbourmasters and anyone else where they may be on their way to assist should there be mechanical or electrical failure while on the water if the current vessel is not replaced or repaired. The proposed replacement vessel is more capable of performing required tasks reducing the risk of injury to people and property.</p>
<p>4. Financial impact</p> <p>The recommendation to replace the current vessel has immediate costs of \$300,000 (offset by \$60,000 from the sale of the current vessel), compared to \$180,000 immediate costs to repair the current vessel. It is likely the current vessel will require further repairs in the future given its age. The replacement vessel is larger, half the age of the current vessel and more suited to the harbourmaster services. The replacement vessel represents better value in the long term.</p>
<p>5. Degree of significance and level of engagement</p> <p>This matter is of low significance because the recommendation will ensure the delivery of harbourmaster services is not disrupted as could happen by the current vessel being out of service for repairs. The financial transaction has a relatively minor value and provides better value in the longer term. The replacement vessel provides more capabilities so is a positive impact on the safety of our community. It is expected that once negotiations are concluded media coverage of the vessel will occur alongside reinforcing safety messages associated with harbourmaster services.</p>
<p>6. Climate Impact</p> <p>Sea conditions will be impacted by climate change. The replacement vessel is more capable to handle rougher sea conditions. There are electric</p>

CONFIDENTIAL

Item 4: Harbourmaster vessel

vessels being built in New Zealand that will reduce engine emissions, but they currently don't have the required range. Electric motors could be a viable option in the future as this technology develops.

7. Inclusion of Māori in the decision making process

No engagement with Māori has been undertaken in preparing this report. Should the recommendation be approved engagement will be undertaken for a new name for the replacement vessel.

8. Delegations

The Environment and Climate Committee has the following delegations to consider [subject]

Areas of Responsibility:

- *Maritime and Harbour Safety and Control*

Delegations:

- *The committee has all of the responsibilities, powers, functions and duties of Council in relation to governance matters within its areas of responsibility, except where they have been retained by Council, or have been referred to other committees, subcommittees or subordinate decision-making bodies.*

Powers to Recommend:

- *The purchase or disposal of land or property relating to the areas of responsibility, other than in accordance with the Long Term Plan or Annual Plan*

Released 26 January 2023

NZMB.com

NEW ZEALAND MARINE BROKERS LTD
SHIP BROKERS, SHIP VALUERS & MARINE CONSULTANTS

email mail@nzmb.com phone +64 3 443 4649 mobile +64 274 340 548

FOR SALE



(8.5m)

Rescue boat ex Coastguard

Built:	Ex Americas Cup boat. Built by Rayglass. Estimated year of build 1997/1998.
Powered by:	2x Mercury 150 four strokes (approx 175 hours run). Model number 1150F23HD serial number 2B055764 and model number 1150F24HD serial number 1B995424. Fuel tanks built in.
Electronics:	Plotter/ Sounder – Furuno GPS 1650F. Radar - Furuno NavNet C-Map NT MAX. 2x radios. Some systems backed up. Radar and GPS new 2011.
Accommodation:	2 vee berths
Trailers:	1x road trailer – warranted, registered (brakes not hooked up). 1x 250 litres fuel trailer with electric pump.
Broker’s comments:	This Coastguard owned vessel has always been cared for and well maintained throughout its life. Vessel underwent a major overhaul over the last couple of years – new tubes (approx 2.5 years ago), rewired (approx 1.5 years ago), repainted hull (last year after hull repair – completely stripped back and redone). Located Northland. Possession date late August 2016 when new vessel is delivered.

\$95,000 plus GST



This spec sheet has been prepared from information supplied to us by the seller. Buyers should be very careful to make their own enquiries on all aspects. Look before you leap!

Vessel ID: 823
Page 1 of 3

A2895733

Item 4: Harbourmaster vessel: Attachment 1



This spec sheet has been prepared from information supplied to us by the seller.
Buyers should be very careful to make their own enquiries on all aspects. Look before you leap!

Vessel ID: 823
Page 2 of 3

A2895733

Item 4: Harbourmaster vessel: Attachment 1



Released 26 January 2023

This spec sheet has been prepared from information supplied to us by the seller.
Buyers should be very careful to make their own enquiries on all aspects. Look before you leap!

Vessel ID: 823
Page 3 of 3

A2895733

Attachment 2

Proposed replacement vessel details



Wavebreak 11 Alloy RIB

250 HP Petrol	Hull type: Aluminium
Length: 11 Metres (36.08 Feet)	Engine Make: Honda
Engine type: Twin outboard	Engine year: 2020
Engine hours: 67hrs	Boat Location: Nelson

Description

Custom built Wavebreak Alloy RIB. 11 metres overall (9 metres waterline length), 3.6 metre beam. Twin Honda 250hp 4 Stroke Outboards (new 2020), 67 hours run. Cruise 30-38 knots. (fuel burn 56 lph at 20 kts cruising). 460 litre usable fuel capacity, 100 litres water. 2 sleeping berths forward with stove, fridge and sink. Separate toilet/shower compartment accessed from the cockpit. Features include –

- Lockable fully enclosed cabin with 1.93m headroom
- Spacious deck area carrying equipment, below deck aft hold space
- Launching trailer (negotiable)
- Electric Pot Hauler and Anchor Windlass
- Simrad GPS/Radar/Sounder/Autopilot, VHF radio, Bluetooth stereo
- Dual House Battery System

A2895734



A2895734



A2895734