



Waitohi Picton Ferry Precinct Redevelopment

FINANCING SUBMISSION

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The Guardians of the Sounds

Chairman: Tim Healey

0274 369 887

tim.healey.cc@gmail.com



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Introduction

Guardians of the Sounds began with a large group of Queen Charlotte Sound residents concerned about the effects fast ferry wash was having on the foreshore and people's safety in the late 1990's. The Guardians of the Sounds became an incorporated society in August 2000. We are a recognized community and environmental group and have been involved in Picton community issues in the past, including the Methyl Bromide scandal and Picton Air Quality. A large portion of our membership reside in Picton. What happens in Picton has many impacts, both positive and negative, on the Sounds as a whole.

The Guardians of the Sounds were invited by the EPA to make submissions on the IREX Picton Ferry Precinct. As the people of Picton and the Queen Charlotte Sound were unable to make their own submissions to the EPA consenting panel due to this project being selected as a shovel ready project under emergency Covid legislation, the Guardians will gladly represent their community via this submission. The reason the Resource Management Act was introduced was to prevent situations like this from occurring. All the planning, effect mitigation, consequences, and everything else that affects a community is presented in its entirety, and the people affected have their say. Without these processes our community stands unprotected from harm from these types of development projects.

Importantly, the Guardians believe this project did not qualify to be selected as 'shovel ready' on many grounds, the main point being that the planning, considerations, and effect studies of this major development were glaringly incomplete at the time. In fact, the consenting panel stated that the planning was inadequate. Despite this the Marlborough District Council (MDC) went ahead and supported the removal of their constituent's rights and instead gave support to a plan that was flawed. MDC, and in particular the Sounds Ward councillors, failed in their duty to represent the people who elected them.

Already, we have seen major changes to this plan including the relocation of the new wharf, and a new plan to offload some of the ferry traffic into the Picton CBD.

These are serious amendments that have a huge impact on the project and Picton community. The current plan has little resemblance to the plan submitted to the EPA. It is for these reasons and more that will be detailed in the following submission that the Guardians of the Sounds do not support the proposal, nor alternative 1 provided. However, we do support alternative 2.

In Support of Alternative 2

As stated in the introduction, the Guardians of the Sounds;

- DO NOT support the proposal
- DO NOT support alternative 1
- DO support alternative 2

IREX Picton Ferry Precinct Project Flaws

The Guardians support alternative 2 because the IREX Picton ferry Precinct project has serious flaws. These include the new ferries chosen, the route they are expected to take, the impact of the project on the harbour, sounds users, Picton community, and the roading network. Furthermore the serious risks to the safety, health, and wellbeing of our community are being ignored by those who will not face these risks themselves.

The Ferries

Much has been said about the design of the new ferries. How fuel savings will be made and how safe they will be. We disagree. Firstly, the fuel savings will be voided by the need to use the Norther Entrance. Secondly, while it is possible to reduce the wave height with ship hull design, the laws of physics still remain. The displacement of the new ferries is 50,000 tonnes. Exactly where and how will the energy of this large, heavy, fast moving vessel be dispersed? What will happen to the environment?

When the Harbour master concludes his risk assessment we are confident that it will be deemed too great a risk to use Tory Channel Entrance under the current proposal and alternative 1. Speeds must be reduced to 15 knots and possibly all shipping transferred to using the Northern Entrance. Three return sailings are not possible. Kiwirail needs a new plan. The obvious remedy is to get smaller ships, and 3 of them. The keel hasn't been laid on the first new ferry yet. It is not too late to have a rethink.

Recent events show how breakdowns affect the transport network. Every boat owner knows boats do breakdown; machinery fails. There is no resilience in the plan if one ship is out of the water. The service will be reduced to one ship which throws travel plans and freighting into chaos. Further strain on a supply system already burned through the Covid-19 pandemic can only result in commercial losses, and damage to consumer confidence. Remember, these ships also have to go overseas every two years for a clean and maintenance. These much-vaunted azimuth propulsion systems are high maintenance, requiring regular dismantling and checking of gears, bearings etc. Estimates of a ship being absent from the run for up to four weeks or more are not unrealistic. The Azamara Quest was driven by these azimuth propulsion systems when it hit Wheke rock. Looking beyond savvy marketing, the practical application of these systems leaves much to be desired, and the current plan places far too much faith in them. It begs the question- has a thorough risk analysis *really* been undertaken?

The Route

The Guardians are of the firm opinion that it will be unsafe for the new large ferries to navigate the Tory Channel entrance. We refer you to the **Tory Channel/ Kura te Au Navigation Safety Risk Assessment Version 2, 21 February 2020** prepared by GBT International for the MDC. Among the many recommendations in this report, it is advised that MDC completes a Bowtie risk assessment and that a further risk assessment be carried out, as stated in section 9 of said report (Pearson, M., Burfoot, T., 2020).

Despite this work not yet being completed, Kiwirail has gone ahead and ordered new ships for a route they will not be allowed to take due to the inevitable finding that the risk to the ships, passengers, crew, the environment and other vessels is too great. The speed required to transit through Tory Channel/ Kura te Au and Queen Charlotte Sound/ Totaranui to achieve 3 return sailings per day as stated in the business plan is unsafe. The risk to the ferries, commercial shipping, and recreational vessels is too large to be acceptable. Across various meetings the Guardians have been told by Kiwirail that the speed they will operate the new ferries at will be anywhere from 20 to

25 knots. The lack of clarity and specifics is concerning and raises serious questions regarding how operations will actually function.

The speed limit for ships is set at 15 knots in the Shipping activity section of the Marlborough Sounds Resource Management plan. Past and present plans deal extensively with wash from ships. There are unequivocal rules regarding wave height and energy and the environmental effects. Kiwirail have stated that their new ships will comply with these rules. However, there is doubt in the maritime community which the Guardians have consulted that these ships will meet the requirements. Kiwirail have provided no proof, and can only reference preliminary testing to support their position. This is another fault with their plan because if they can't operate at the speed they require to make 3 return trips a day, then their business plan is out the window.

The Guardians believe that the large increases in commercial traffic associated with marine farming, forestry, and recreational vessels, particularly in the summer months, in Tory Channel/ Kura te Au, make it unsafe to navigate large ships at speeds greater than 15 knots. Tory Channel/ Kura te Au has blind corners, is narrow, hosts many marine farms, and with the large ferries manoeuvring room is even more restricted. The risk assessment carried out in 2020 reinforces our view. It's all there for the councillors to see that managing risk is what it is all about when going to sea.

The Guardian's position is that we want all ships to use the Northern entrance. It is wider and has far less risk to it, however it extends the travel time. If and when proper due diligence is carried out and ships have to be rerouted, or at least a one-way traffic system combined with a speed limit of 15 knots enforced, it will be obvious that the decision to dramatically increase the size of the ferries was not correct.

Kiwirail has made much of the new ship's modern life saving equipment. However if a system fails, if there is human error, or an event like that which caused the Wahine to founder, then 2000 passengers are in life threatening trouble. A slide that passengers must use to gain access to inflatable life raft is a laughable concept anywhere near the Tory Channel entrance in bad weather. This is a fact well known and understood by local mariners, the very individuals whose input has been avoided

through government fast tracking. There are no tugs that are readily available that could assist ships of this size. Remember, the Harbour Master has banned cruise ships smaller than these new ferries for just this reason, among others. The law of the sea requires all mariners to go to the aid of a ship in distress and we have no doubt that the local fishermen and residents would put their lives in peril doing this. It was these people who saved the passengers aboard the Mikhail Lermontov when it foundered in Port Gore. The lives of our friends and families must not be put at risk because of decisions made by city executives who have focused entirely on cost savings and have no practical knowledge of the immense dangers around the Tory Channel entrance. History records another ship that was designed to be absolutely safe. It was called the Titanic.

For further detail regarding the dangers of the Tory Channel entrance please see Appendix A, the risk assessment attachment to the Navigation Safety Risk Assessment.

The Port of Picton and Picton Township

The Guardians believe that changes to the infrastructure of the port would not be needed if the scale of the replacement ferries remains the same as the existing fleet. The wharves obviously need repair or replacement, but surely the company would have been aware of this and factored the replacement into their business model. New terminals and link spans would not have been needed, dredging the harbour would not have been needed, major construction with the resulting disruption to local businesses and lives would not have been needed. The huge increase in traffic and rail freight flooding Picton due to the reduction in sailings and increase in vehicle capacity would not occur, and the operation would remain much the same. 3 smaller ships, or maybe even 4, would spread the Interisland traffic over a longer time frame reducing those effects, and offering a more regular and reliable shipping service to it's customers.

But that's not the plan. Two large ships it is, and so we are stuck with having to deal with this plan. The number one issue is the roading network.

The Proposed Over Bridge

The over bridge at a cost of 22 million dollars does nothing except cut the waiting times at the rail crossing. There is still a busy intersection at Dublin and Auckland Street to negotiate. The plan does absolutely nothing to deal with this. We are told the ferries will now unload cars on to Auckland Street at peak times only. That's when there is already congestion and grid lock in the CBD. If the plan is to get these ferries unloaded and reloaded in 1 hour then this intersection alone will prevent that. Unless there is some car park to hold the cars coming off the ferry, then this column of cars will not get off the ship and the company will not meet it's deadlines.

Kent Street

This traffic plan is fine until you get to the Dublin and Kent Street roundabout. This column of cars and trucks must keep moving to get the ferry unloaded. Unfortunately, there is another ferry company using this area to add to the congestion, and traffic exiting the ferry has to give way to traffic coming off Queen Charlotte Drive. Oops. Doesn't this column have to keep moving to unload the ferry in a half hour?

Broadway

This is to be closed but it's the quickest way locals get about town. Locals avoid the CBD at peak times at all costs. The route is up or down Broadway. Losing it makes no sense.

Past Broadway and Beyond

After Broadway, the plan ends but the Town goes on. It is concerning that this was not included in the plan. The huge column of trucks and cars now passes our primary school. At the end of Kent Street there is talk of constructing a roundabout, but we don't know because it's not in the plan. Currently, this intersection requires all vehicles exiting Kent street to give way to traffic entering Picton on Wairau Road. The column of vehicle unloaded on to Auckland Street now has to give way to the column of

vehicles coming down Kent Street when it meets this intersection, if a roundabout is constructed.

A well thought through well-funded plan would have absolutely ensured the ferry traffic leaves the town as smoothly as possible, so as not to impede the unloading of the new ships, and the residents of Picton could go about their way of life with little disruption. The IREX Picton Ferry Precinct Project plan, which looks ahead 60 years, never considered the wellbeing of the residents of Picton. Issues such as noise, pollution, property access, and the subsequent devaluation of property were ignored. There is evidence of work carried out years ago to get the port traffic out of Picton through a bypass on the Shakespeare Bay side of town. This was never looked at, yet it would solve all of the problems mentioned and would have restored the peace and tranquillity to the residents of the small seaside town of 4000 people.

Financial Risk

The Guardians of the Sounds further support alternative 2 because borrowing money to on loan to Port Marlborough to build wharves and infrastructure for the company Kiwirail to use potentially exposes the ratepayers of Marlborough to liability for that debt.

The Guardians believe it would be very unwise for the ratepayer to become involved in a commercial venture of this magnitude with Kiwirail and the government. While we are impressed with the negotiated deals between Port Marlborough, Kiwirail, and the government, and although these deals do appear to protect the ratepayer from further financial commitment the risk remains unacceptably high.

Our reasons for believing this are two fold; integrity of our partners and other key stakeholders, and the aforementioned extensive risks of the current plan.

Government

This current Government cannot be trusted to honour their commitments. In the proposal it is unclear whether or not these commitments would become legal contracts. This council will be aware of the Government's about face over the 3 waters plan, and future Governments may not honour past agreements and commitments. In the event of a failure of the present or future government to honour their commitment to use the Port of Picton, arising from serious flaws in the commercial viability of the plan being recognised and accepted, then the possibility of MDC being responsible for paying for an unused facility arises.

For those of you who will say the ferries will never leave Picton, remember it wasn't long ago that Kiwirail wanted to do exactly that. Clifford Bay was seriously looked at as a viable alternative to using Picton. The unquestionable savings in time and fuel were very appealing to Kiwirail and trucking companies. To this Government that wants to reduce carbon emissions, these savings won't be ignored. The cost of development

was nearly attractive to private developers, but needed government investment to make it viable. This was not forthcoming from the then National Government, and the project was scrapped. Luckily, in light of the earthquakes, it did not go ahead but the lesson here is that there is no loyalty to Picton and Blenheim with this company.

With a major change to shipping around the world since Covid-19 pandemic took hold, the trend is to offload larger ships visiting NZ at one port. A report commissioned by **Waka Kotahi** and written by shipping consultants **Pacific Marine Management** finds a new feeder network oriented around hubs in Auckland and Tauranga would improve the resilience of New Zealand's supply chains. The report details challenges like the potential closure of Marlborough's Tory Channel to Interisland ferries and the lack of a big dry dock in NZ. Costs drive how goods are moved, and shipping them is cheaper. Kiwirail must be competitive, and investing in large ships that may have reduced freight loads won't be economic. Taking full ships to Lyttleton would be economic. Another recent development has been the purchase of Bluebridge by Morgan Chase, a major American investment bank. It is prudent to anticipate a dramatic increase in commercial competition. With all these factors at play within the transport industry, as well as a dramatic drop off in tourist traffic that may or may not recover to pre Covid levels, is it wise or fair for the ratepayer to be involved? The Guardians of the Sounds don't believe it is. The financial risk is also unacceptable because the plan has major flaws as stated above.

Counter Argument to Council Financial Justifications

The mayor of Marlborough, the CEO of port Marlborough, and the Marlborough District Council's CFO have used the argument that increasing the dividend Port Marlborough pays to the MDC will reduce the increases to rates to all ratepayers in Marlborough. This is their justification, and a reason to borrow 110 million dollars to on loan to Port Marlborough. The problem with this thinking is that the council should not be using the dividend for this purpose. The reason is that it exposes the ratepayers to possible extra large increases to rates if for any reason the port company does not pay a dividend due to a downturn in revenue. Also, it can lead to a situation where the Port Company could sway the council into approving a project or consent that would

not be in the people of Marlborough's best interests. Mayors and councillors that increase rates too often end up looking for another job come election time. Rates should be set strictly on actual costs. The dividends should only be used for a separate non-essential project that directly and positively benefits our community. For example, a new paddling pool for our foreshore. Nice to have, and improves quality of life for residents, but is not essential.

The Guardians of the Sounds would like to remind the councillors of the MDC that before the reforms of the 80s, Picton and the Marlborough sounds community were the owners of the port, and revenue was reinvested in our area. It didn't go to Blenheim, the Wairau Valley, and further south. The community of Picton and the Sounds are the stakeholders. We experience the positive and negative effects of the activities of the port company. The residents of the town are exposed to dangerous chemicals and pollutants from the commercial shipping industry. They experience the noise of trains and trucks loading and moving at all hours of the day or night. Our public utilities are overloaded by the tourists and there are many other negative side effects of having or being a port town. Yes, we do get the jobs and income from all this commerce as well. When the focus of Port Marlborough is to make as much money as it can for the ratepayers of Marlborough, the stakeholders get hit with ever increasing costs and fees to increase the dividend.

The small share of the dividend we receive does not go anywhere near the cost increases of slipping, maintaining, and berthing a vessel. The income local business source to pay their rent to Port Marlborough is taken from our pockets. The local community is now often unable to afford to use their facilities that they built. The people saw their beautiful Waterfront turned into a boat parking lot for many people who don't even live in their town. MDC, which is controlled from Blenheim, has now sold all of the Picton waterfront, except the foreshore and the Picton and Shelly Beaches, to a commercial company. Our public wharves and launching ramps were illegally sold to this company. All of this has happened because of the ill-advised government reforms of the 80s, when the control of the assets and wealth were transferred to another community which did not create them.

The first of the newly formed MDC, Mayor Leo McKendry, would never let the dividend be used to subsidise rates. This council should follow his example. If you're looking for ways of reducing rate increases, maybe it's time to review your spending on unnecessary projects like a new art gallery or the theatre, and reduce the ridiculously high salaries the council and port administrators are paid.

Conclusion

The Guardians of the Sounds support alternative 2. We request the Marlborough District Council to definitely not raise a loan of 110 million dollars to on loan to Port Marlborough. The Guardians request that the Marlborough District Council does not support Port Marlborough raising a loan of 110 million dollars or support the Kiwirail project to bring and operate these large ferries into Picton Harbour and the Marlborough sounds. MDC needs to recognise that the whole of the IREX Picton ferry Precinct is flawed. MDC needs to consult with the Government and all partners in the project, and instigate a revaluation of all aspects of the plan and carry out proper due diligence prior to sourcing funding.

Tim Healey,

Chairperson of Guardians of the Sounds

REFERENCES

Pearson, M., Burfoot, T. (2020). *Tory Channel/ Kura te Au: Navigation Safety Risk Assessment*. GBT International.

Pacific Marine Management. (2021). *New Zealand Transport Agency Shipping State of Play Report*. <https://www.nzta.govt.nz/assets/resources/coastal-shipping-research/nzta-coastal-shipping-state-of-play-report.pdf>

Appendix A

Tory channel entrance is narrow and has rocks on either side and numerous ships have recorded groundings and near groundings. As an example, Figure 2 shows interisland ferry Rangatira aground on Wheki Rock having struck on Christmas day in 1959 (NZ National Maritime Museum, 2005).



Figure 2: Ferry Rangatira aground Tory entrance 1959 (Goossens, n.d.)

The same rock was hit by Strait Shipping ferry Monte Stello on the 4th May 2011 (TAIC, 2016). Figure 3 below shows the vessel track through the entrance and onto the rock.

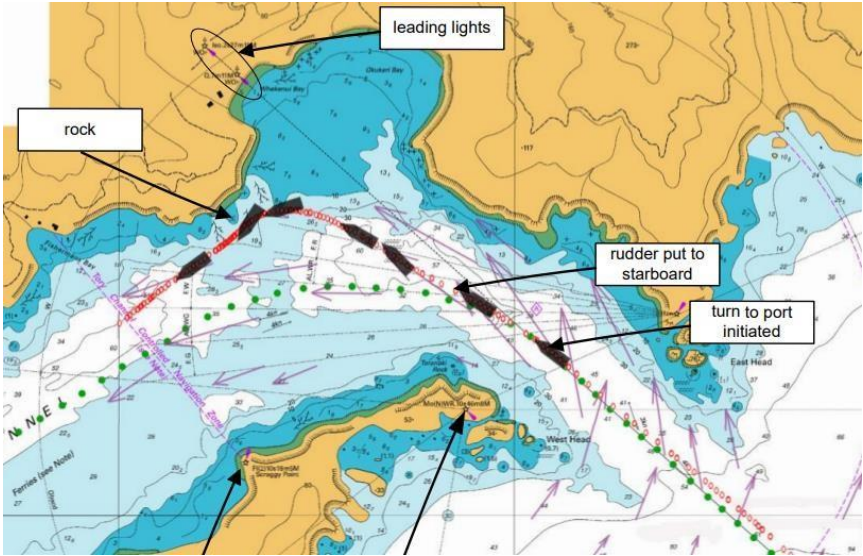


Figure 3: Monte Stello grounding track (TAIC, 2016)

The same rock was struck again by cruise ship Azamara Quest on 27 January 2016 (TAIC, 2018). Figure 4 shows a similar track to that above.

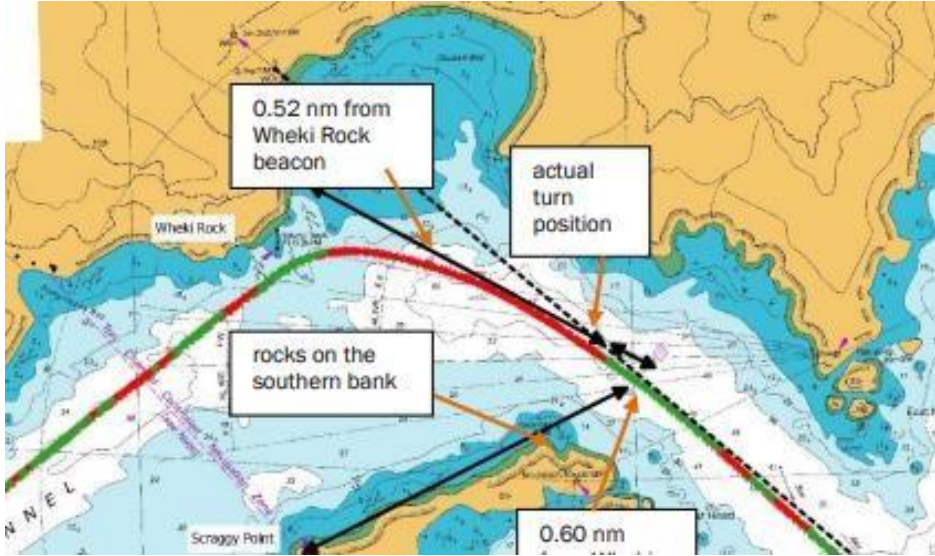


Figure 4: Azamara Quest grounding track (TAIC, 2018)

Interislander ferry Aratere had a close call nearly hitting the same rock on 29 September 2004 (TAIC, 2004). Figure 5 below shows that Aratere followed a similar track as the two vessels above and likely the Rangatira in 1959 as well.

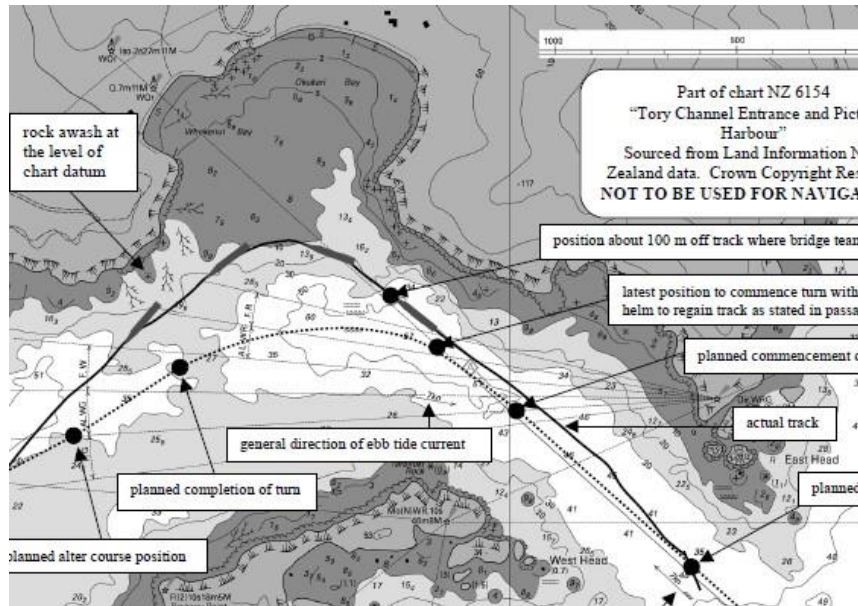


Figure 5: Aratere near grounding track (TAIC, 2004)

Showing that grounding is also a risk in the opposite direction, Strait Shipping ferry Santa Regina nearly grounded outbound on 9 June 2005 having, first of all, turned too early and then overcorrecting.

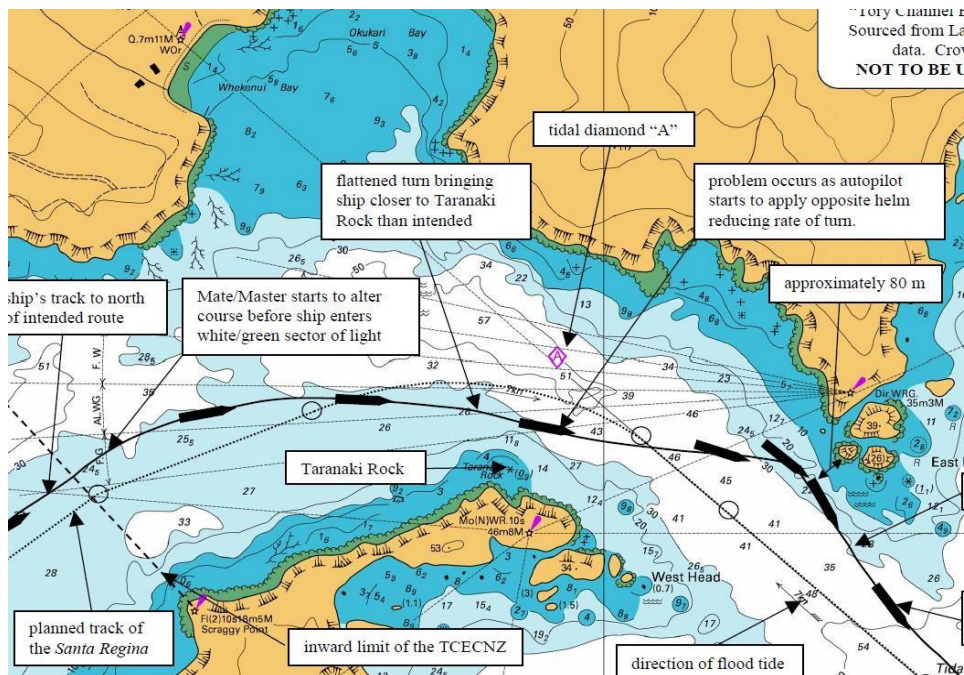


Figure 6: Santa Regina near grounding (TAIC, 2005)