

# Auckland Council's Long-term Plan 2024-2034



## Online Information Session #2

### Q&A

Tuesday 12 March 2024

6.00pm – 7.30pm

Question	Response
<p>The plan includes the port needing \$110 million to build a berth on Bledisloe North and an additional carpark building. How does that measure up with the proposal to remove cars from Bledisloe in 15 years? How much will POAL be paid for Captain Cook and Marsden – it's not clear in the financial statement?</p>	<p>Thank you for attending the Long-term Plan 2024-2034 webinar.</p> <p><b>Question one:</b> How does that measure up with the proposal to remove cars from Bledisloe in 15 years?</p> <p><b>Answer:</b> The long-term plan consultation document outlines three options for the future of the wharves.</p> <p>Option 1 talks about releasing Captain Cook and Marsden wharves from their current operations within two to five years to use them for something more beneficial for Aucklanders. This option would need investment to relocate the current port operations at Marsden and Captain Cook wharves to Bledisloe Terminal, and an additional second berth for roll-on-roll-off (RORO) vessels.</p> <p>Option 3 to transfer Bledisloe Terminal to the council could happen as second phase within 15 years. This phase would require further investment to relocate the vehicle trade to other areas within the operating port precinct.</p> <p><b>Question two:</b> How much will Port of Auckland Limited (POAL) be paid for Captain Cook and Marsden - it's not clear in the financial statement?</p> <p><b>Answer:</b> We have not decided the amount being paid to POAL for the transfer of Capitan Cook and Marsden wharves.</p> <p>Any payment, if made, would not be a cost to the Council Group because POAL is a subsidiary of the council (owned by the council).</p> <p>Under a lease transaction, we do not believe that any payment would be made from the council to the port lease. Captain Cook and Marsden wharves will form part of the</p>

	<p>transaction package with an obligation to transfer to the council within two to five years.</p> <p>Please do let us know if you have any further questions. We encourage all Aucklanders to have their say at <a href="https://www.aucklandcouncil.govt.nz/our-plan/akhaveyoursay">akhaveyoursay.nz/ourplan</a> to help inform final decisions on the Long-term Plan 2024-2034.</p>
<p>Has any discussion been had with the Maritime unions? what are their thoughts on the leasing out of the port?</p>	<p>Thank you for attending the Long-term plan 2024-2034 webinar.</p> <p>The Mayor’s Office has had informal discussions with <a href="https://www.maritimeunion.co.nz/">Maritime Union of New Zealand</a> (MUNZ). MUNZ raised various points as noted in a report released in August 2023 (<a href="#">The costs and risks of privatising Ports of Auckland operations</a>).</p>
<p>What social capital values and assumptions underpin these investment options?</p>	<p>Thank you for attending the Long-term Plan 2024-2034 webinar.</p> <p>We take social capital to mean a ‘network of social connections, shared values and behaviours that exists between people to enable and encourage strong and positive social communities’.</p> <p>This reflects the nature of the strategic assets identified in the long-term plan’s investment options. This is covered in Section 4.1 of the Long-term Plan 2024-2034 Supporting Information document.</p> <p>In addition to Section 4.1 of the supporting information document, Ports of Auckland Limited’s (POAL) investment options have been assessed in line with specific council ownership objectives that were approved and set by the council in February 2022.</p> <p>Any investment options for POAL will continue to be assessed against these objectives. These are to:</p> <ul style="list-style-type: none"> <li>• retain council ownership of port land</li> <li>• secure the POAL’s development to enable growth</li> <li>• deliver open, efficient and sustainable port services</li> <li>• optimise waterfront land use</li> <li>• enhance community control</li> <li>• optimise financial returns to the shareholder</li> </ul> <p>Specific assumptions support keeping things as they are. These include:</p>

	<ul style="list-style-type: none"> <li>• the council continues to bear all financial and operating risk in relation to POAL</li> <li>• POAL management continue their strategy to turnaround POAL’s operational, financial and health and safety track record to meet required benchmarks and deliver a commercial return on capital</li> <li>• POAL will continue to be governed by the Port Companies Act with the council having the right to appoint the board and set operating standards, but have limited direct influence over POAL’s operations.</li> </ul> <p>Specific assumptions that support the idea of a lease transaction include:</p> <ul style="list-style-type: none"> <li>• operating and financial risks are transferred from the council to the lessee</li> <li>• the council retains direct contractual management of port operations via the lease agreement, including the ability to enforce community standards and safeguards (like workforce protection, health and safety, minimum investment, port pricing, community engagement etc.)</li> <li>• the council continues to retain all ownership of land with operations to revert at the end of the lease term.</li> </ul> <p>Please do let us know if you have any further questions. We encourage all Aucklanders to have their say at <a href="http://akhaveyoursay.nz/ourplan">akhaveyoursay.nz/ourplan</a> to help inform final decisions on the Long-term Plan 2024-2034.</p>
<p>There has been quite a lot of discussion about whether a container port is the most suitable use of the port, and whether it would be in the best interests of Auckland to move the container port elsewhere. Wouldn’t the lease limit the power of the council to make this happen?</p>	<p>Thank you for attending the Long-term Plan 2024-2034 webinar.</p> <p>We have carried out a number of studies into the potential relocation of POAL to another location.</p> <p>Any relocation will likely need 10 to15 years of planning and construction (if we start straight away), will cost in excess of \$10 billion and involve multiple stakeholders.</p> <p>Currently POAL has up to about two to three decades of capacity with minimal / modest investment required.</p> <p>Although 100 per cent ownership in POAL would maximise flexibility for the council to develop a new port, it is</p>

	<p>unlikely the council will be in a position to fund and develop a new port in the short to medium term.</p> <p>It is estimated that a lease term of around 35 years with a staged return of POAL land, will provide the council with the required flexibility to transform Auckland’s CBD and plan and develop a new port.</p> <p>Please do let us know if you have any further questions. We encourage all Aucklanders to have their say at <a href="http://akhaveyoursay.nz/ourplan">akhaveyoursay.nz/ourplan</a> to help inform final decisions on the Long-term Plan 2024-2034.</p>
<p>Which option will facilitate and accommodate the best outcomes to mitigate climate change?</p>	<p>Thank you for attending the long-term plan webinar and for asking your question.</p> <p>As things are, POAL has an existing environmental policy which management is expected to follow and refine as needed. The council has limited direct ability to influence and make changes to this policy or how it is implemented.</p> <p>Under a lease arrangement, any specific climate change requirements, targets or policies could be contractually incorporated into a lease agreement.</p> <p>The lessee will be contractually obliged to deliver on any lease requirements, and the risk of delivering on any related policies would transfer from the council to the lessee.</p> <p>Please do let us know if you have any further questions. We encourage all Aucklanders to have their say at <a href="http://akhaveyoursay.nz/ourplan">akhaveyoursay.nz/ourplan</a> to help inform final decisions on the Long-term Plan 2024-2034.</p>