

Port Future Study: Design Proposals

File No.: CP2015/07793

Purpose

1. This report outlines the proposed stakeholder engagement process and draft scope of the Port Future Study as directed by the Auckland Development Committee on 3 April 2015.

Executive Summary

Recommendation/s

That the Auckland Development Committee:

- a) endorse the collaborative Māori and stakeholder process, the establishment of the Stakeholder Reference Group and Consensus Working group, the role and tasks allocated to these groups, and the resources required to support them, as set out in the agenda report.
- b) endorse the list (Attachment A of the agenda report) of identified stakeholders to be invited to participate in the collaborative process, and delegate to the Chief Executive of Auckland Council the authority to extend this list as additional stakeholders are identified.
- c) endorse the draft study scope as set out in the agenda report, for referral to the Consensus Working Group.
- d) note that the project will be funded from the Mayoral Office budget, over the 2014/15 and 2015/16 financial years.

Comments

2. On 1 April 2015 the Auckland Development Committee resolved to commence the Port Future Study (Resolution No. AUC/2015/61), and directed the Chief Executive to report back on the study design as soon as possible. The committee noted that the study should include collaborative stakeholder input at each critical stage, including the study's scope.
3. This report gives effect to the committee's resolutions by proposing the following:
 - i) a collaborative stakeholder process and groups to be established as part of this process;
 - ii) a draft study scope and process by which it is finalised and procured. Note that, once finalised, the study scope will be formatted into an appropriate Request for Proposal (RFP) for procurement purposes;
 - iii) the resources required to support the project and its processes;
 - iv) a broad expected timeline for the project.

Collaborative Stakeholder Process

4. The 1 April 2015 Auckland Development Committee resolution states that the project must be based on collaborative stakeholder input. It is helpful to reflect on the following principles of collaboration when considering collaborative processes for this project.
 - **Participation** – participation of stakeholders from all perspectives need to be included. This will require developing strategies to work with individuals who don't act collaboratively.
 - **Collective** – collaboration may require broadening participant's perspectives so that they are able to understand and respect the range of views within the group. The group needs to reach a consensus and then take action collectively on the decisions they make.
 - **Transparency** – feedback and trust are essential elements of collaboration. Being transparent with information is crucial if that is to be achieved.
 - **Independence** – collaboration requires independent thought, not group-thinking. An environment where people can think for themselves needs to be maintained.
 - **Emergence** – the point of collaboration is to achieve great results. Focus must be on the end goal rather than worrying about how that is achieved. The collaborative group needs to set their own goals and objectives.
 - **Persistence** – these principles need to be applied persistently throughout the process.
5. Given these principles, the proposal is that the project essentially be 'handed-over' to stakeholders; that they work through and understand the study findings; and that they make recommendations to the council on the best way forward from their consensus viewpoint. Council will then make decisions on matters arising from the Port Future Study with these recommendations in mind.
6. It is proposed that two groups be established – a larger Stakeholder Reference Group (SRG) and a smaller Consensus Working Group (CWG). There are essentially two drivers for this:
 - i) there is wide interest in the study and many stakeholders that need to be accommodated – hence the larger SRG,
 - ii) it is generally accepted that a collaborative group, or any working group for that matter, becomes dysfunctional once it is larger than around 12 to 15 people – hence the smaller CWG. The CWG is to be self-selected from the SRG.

Stakeholder Reference Group

7. The SRG is made up of a number of 'sectors' under which stakeholders are grouped. The proposed sectors are:
 - i) Māori
 - ii) Business associated with the port – both direct and indirect
 - iii) community groups e.g. residents, heritage
 - iv) environmental groups
 - v) recreational marine users
 - vi) specialist interest groups
 - vii) specialist professional groups
 - viii) specialist commercial groups.

8. Attachment A contains a list of organisations under each sector that will be invited to participate. It is noted that many of the specialist groups also represent general community views. This list needs to be as inclusive as possible and is not exhaustive at this stage. Delegation is sought for the Chief Executive to expand this list over the next two weeks.
9. Each sector would have a number of representatives, who together constitute the SRG. The representatives are identified through a facilitated self-selection process. The SRG would ideally have between around 40 to 50 representatives (feasibly around 5 per sector). POAL would be represented on the SRG, though with fewer representatives than the various sectors.
10. The role of the SRG is to:
 - i) represent stakeholders and communicate back to organisations within the sector
 - ii) engage with and provide feedback / input to the CWG as needed
 - iii) undertake work requested by CWG as needed
 - iv) receive updates and report-backs from the CWG.

Consensus Working Group

11. The CWG will be a smaller group of around 15 people. This group will not be sector based, but selected through a facilitated self-selection process from within the SRG. The two exceptions are Maori and POAL (one representative) who have automatic representation on the group. The CWG will be chaired by an Independent Chair.
12. The role of the CWG is to:
 - i) finalise and agree the study scope
 - ii) receive progress updates during the study
 - iii) provide direction / decisions as required
 - iv) identify and request additional critical information / work to be undertaken
 - v) receive the final study report
 - vi) make recommendations to the Auckland Council on the way forward
 - vii) engage with the SRG during the process.
13. The CWG is where the bulk of the work will be done. It is considered appropriate that members be remunerated.

Independent Chair

14. The CWG needs to be expertly chaired to ensure the principles of collaboration are applied and the group works towards consensus building and recommendations to the council. The role of the Independent Chair is to:
 - i) chair the CWG
 - ii) engage with the SRG
 - iii) engage with consultants and technical experts\
 - iv) liaise with the project manager
 - v) stakeholder management and communication
 - vi) be a spokesperson for the project.

Item 15

15. There are three feasible options by which the Independent Chair can be selected:
 - i) selected and appointed by the council
 - ii) selected by the SRG
 - iii) selected by the CWG – either from within or outside the CWG.
16. It is recommended that the council selects and appoints an appropriate chair. Proposals in this regard are captured in a report, titled “Port Future Study: Appointment of Independent Chair”, under separate cover.
17. Chairing the CWG would be time demanding. It is therefore appropriate that the chair be remunerated.
18. Figure 1 illustrates the broad proposed process for establishing the SRG and CWG.

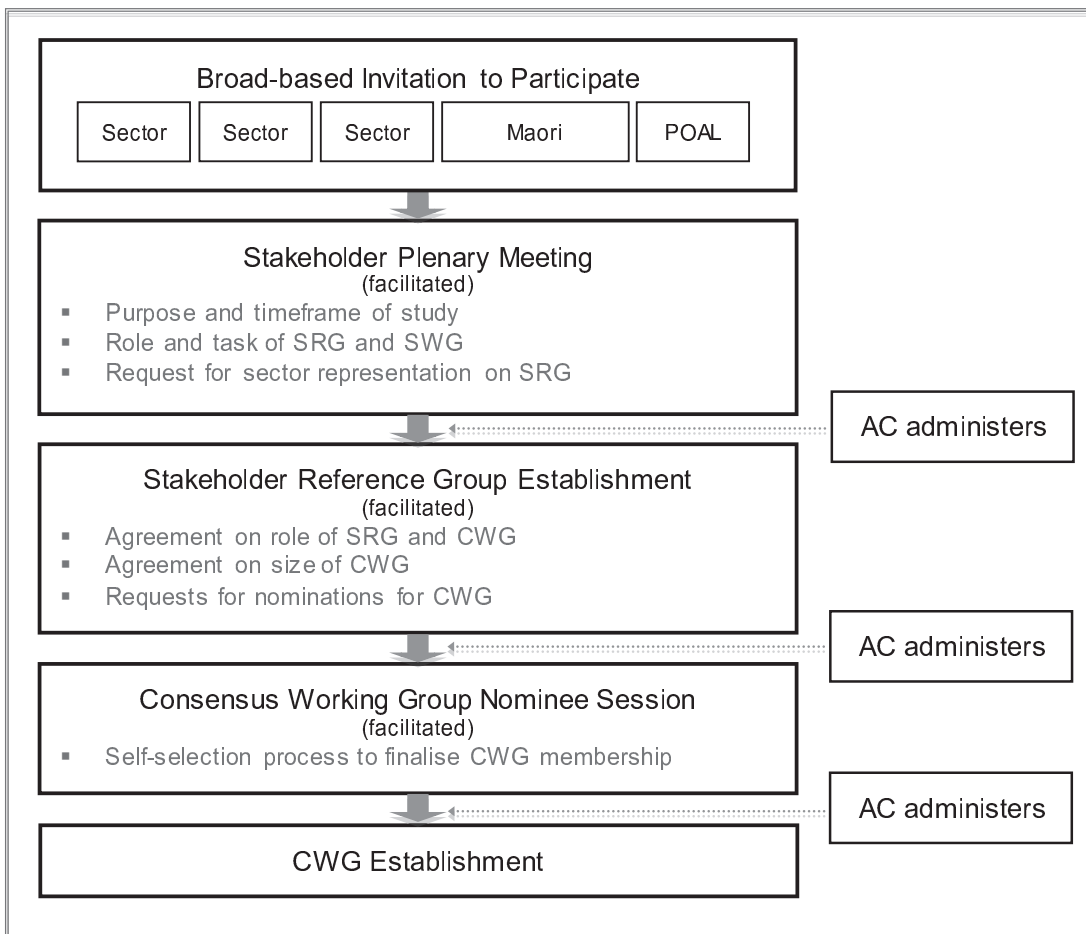


Figure 1: Process for establishing SRG and CWG

19. The proposal does not include any general community consultation during the study. This is because:
 - i) it would be unreasonable to expect the community to keep up to date and informed on what is likely to be a highly technical study
 - ii) it would be more reasonable to engage the community on specific proposals that the council may wish to put forward once the study is completed.

20. Based on this, there is no immediate need for a decision on general community consultation. This is something the council can consider once it has a better understanding of potential proposals itself.
21. The SRG does not include a central government sector, and there is thus no central government representation on the CWG either. It is considered more appropriate that central government be involved at an officer level. This will include agencies such as the MoT, NZTA, MBIE, Treasury, NZ Navy and Kiwirail.
22. The same approach applies to council CCOs. Involvement of Waterfront Auckland and Auckland Council Property Ltd (or Development Auckland should it be established) and Auckland Transport will be at an officer level. This also applies to other relevant council groups, such as CCI, and affected partners, such as UNISA partners.
23. Lastly, neither group includes political representation. This governance function will be expressed through decisions made by the council at the conclusion of the study.

Study Scope

24. The objective of the Port Future Study is to provide Auckland Council, as the port company's owner, with recommendations about a long-term strategy for the provision of facilities to accommodate sea-based imports and exports (and the cruise industry) flowing to and from Auckland. In doing this, the study will consider the economic, social, environmental and cultural costs and benefits, and the feasibility, of a range of options that will include:
 - i) relocating part or all of the port, or the port's functions, within the Auckland region
 - ii) closing Auckland's ports, thus requiring imports and exports to and from Auckland to arrive by sea at other ports and be freighted to Auckland by land
 - iii) constraining the port to its current footprint, while planning for future development of additional facilities at another location(s)
 - iv) enabling limited growth within the existing port precinct, while planning for future development of additional facilities at another location(s).
25. For clarity purposes, all options need to consider how port activities could be reconfigured (both current and future), and therefore also consider the wider impacts on and requirements of the waterfront and its surrounds, for example the central wharfs and cruise ship requirements. The study is therefore not restricted to the current 'port precinct'.
26. In considering the costs and benefits of the various options, consideration will be given to the full spectrum of costs and benefits, such as:

| | |
|-----------------|--|
| Economic | <ul style="list-style-type: none"> • Investment needed for option: <ul style="list-style-type: none"> ▪ for POAL ▪ for others e.g. government, other local authorities, other port companies ▪ cost of supporting infrastructure ▪ cost of reconfiguration options |
| | <ul style="list-style-type: none"> • Opportunity costs: <ul style="list-style-type: none"> ▪ of land with the port in its current location ▪ of rail-line utilisation ▪ of other transport infrastructure |
| | <ul style="list-style-type: none"> • Market impacts on road / rail / motorways / waterways <ul style="list-style-type: none"> ▪ investment choices ▪ value of travel time |
| | <ul style="list-style-type: none"> • Cost impacts: <ul style="list-style-type: none"> ▪ to supply chain ▪ to customers |
| | <ul style="list-style-type: none"> • Economic benefits & impacts for Auckland: <ul style="list-style-type: none"> ▪ GDP ▪ import / export sector ▪ cruise industry |

Item 15

| | | |
|----------------------|---|--|
| | | <ul style="list-style-type: none"> ▪ tourism industry |
| | <ul style="list-style-type: none"> • Economic benefits & impacts for NZ: | <ul style="list-style-type: none"> ▪ GDP ▪ import / export sector ▪ capacity of other Upper North Island ports ▪ freight distribution and movements |
| | <ul style="list-style-type: none"> • POAL | <ul style="list-style-type: none"> ▪ business profitability ▪ size of dividend ▪ POAL ownership (in context of North Island port operations and freight distribution) |
| | <ul style="list-style-type: none"> • Maori: | <ul style="list-style-type: none"> ▪ impact of Te Ao Maori |
| Environmental | <ul style="list-style-type: none"> • Marine ecology: | <ul style="list-style-type: none"> ▪ marine mammals ▪ fish and benthic organisms |
| | <ul style="list-style-type: none"> • Hydrodynamic: | <ul style="list-style-type: none"> ▪ tidal flows ▪ channel depths / dredging ▪ sediment loads ▪ sea level rise ▪ harbour capacity |
| | <ul style="list-style-type: none"> • Natural values: | <ul style="list-style-type: none"> ▪ water ▪ coastal access |
| | <ul style="list-style-type: none"> • Carbon footprint: | <ul style="list-style-type: none"> ▪ land based ▪ sea based |
| | <ul style="list-style-type: none"> • Pollution: | <ul style="list-style-type: none"> ▪ air quality ▪ land based ▪ sea based |
| | <ul style="list-style-type: none"> • Impacts other: | <ul style="list-style-type: none"> ▪ visual ▪ noise ▪ light |
| Social | <ul style="list-style-type: none"> • Employment: | <ul style="list-style-type: none"> ▪ port core - job gains, losses and relocation ▪ wider e.g. supply chain - job gains, losses and relocation ▪ access to employment (equity) ▪ employment opportunities for future generations ▪ including employment opportunities for Maori |
| | <ul style="list-style-type: none"> • Public access: | <ul style="list-style-type: none"> ▪ to and from the harbour and the gulf |
| | <ul style="list-style-type: none"> • Recreational use: | <ul style="list-style-type: none"> ▪ of the harbour and gulf ▪ of the waterfront |
| Cultural | <ul style="list-style-type: none"> • Maori: | <ul style="list-style-type: none"> ▪ historical grievances ▪ cultural values |
| | <ul style="list-style-type: none"> • Heritage: | <ul style="list-style-type: none"> ▪ port or maritime history related ▪ city related |
| | <ul style="list-style-type: none"> • Urban form & amenity: | <ul style="list-style-type: none"> ▪ waterfront as gateway to the city ▪ how the port and city integrates ▪ how a growing & denser city and port relate / exist side-by-side ▪ transport impacts |

27. In addition, the study will also assess the opportunities that the range of options affords Māori.

28. As the study looks at both current and future freight projections and requirements, the term 'future' is defined as follows:
 - i) for the purposes of future locational options, it must project forward 50 years or more
 - ii) for the purposes of freight estimations, it must project forward no less than 30 years .
29. It is proposed that, once options are developed, a high-level assessment of all options is undertaken. Viable options then proceed to a more detailed analysis. This is to maintain momentum and ensure resources are not spent on non-viable options or scenarios.
30. It should be noted that the study, and recommendations made by the CWG are likely to result in direction on the future footprint of the port (if it finds that the some, or all, of the port should remain in its current location). It is, however, unlikely to provide absolute answers on detailed matters within that footprint such as the extension, or not, of a specific wharf. This would be more appropriately addressed through the resource consenting process. The findings may, however, lead to recommendations for Unitary Plan changes.
31. The draft scope endorsed by committee will be considered by the CWG and amended as necessary. The group will be made aware of funding limitations. Final approval of the scope will be the responsibility of the CWG.
32. Lastly, it is proposed that matters such as organisational arrangements and culture of POAL be excluded from the study. The council can at any time use other processes to consider such matters.

Study Procurement

33. The Committee is requested to endorse the draft study scope as set out in the previous section. This section sets out the process for finalising the scope. Once finalised, the scope will be formatted into an appropriate Request for Proposal (RFP) for formal procurement purposes.
34. Given the complexity of the study and the need for the successful tendered to engage extensively with the CWG, it is suggested that the RFP requires a detailed study methodology to be proposed, rather than prescribing it in the RFP. That is, it should be left to tender parties to develop a tailored methodology that is both cost efficient and best serves the needs of the CWG. However, all parties will be required to adhere to:
 - i) the framework of economic, environmental, social and cultural impacts, and opportunities for Maori,
 - ii) a methodology that targets viable options for further detailed analysis as soon as is feasible.
35. Various pieces of legislation are relevant to the study scope. The Hauraki Gulf Marine Park Act 2000 is one example. All such legislation will be required to be accounted for in the study.
36. Figure 2 illustrates the proposed process for finalising and commissioning the study. It is noted that figure 2 shows a simplified process and that in reality the tendering and selection process may consist of two stages, rather than a single stage as shown.

Item 15

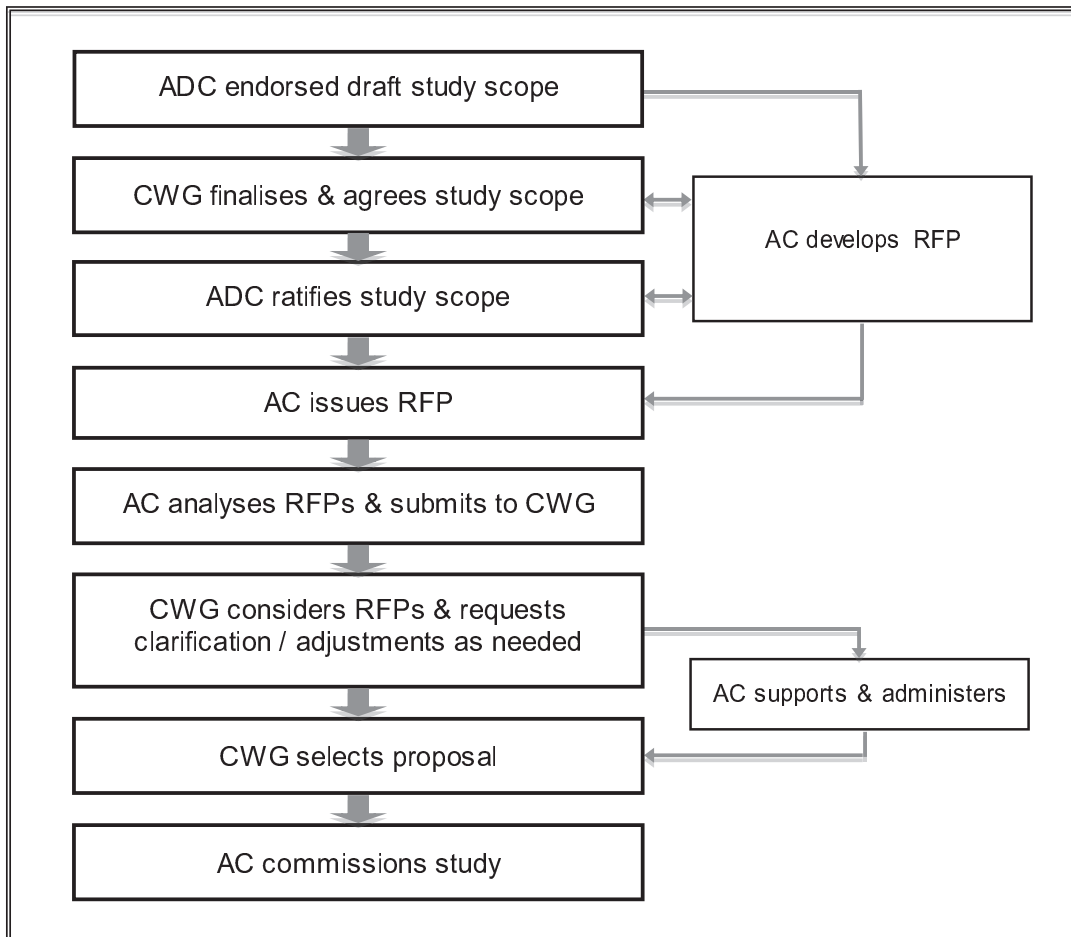


Figure 2: Process for finalising and commissioning study

Project Resourcing

37. This section identifies the resources required to support the project. There is currently no specific funding allocated for the Port Future Study.
38. Until the study scope is finalised, any accurate cost estimate is problematic. The draft scope is wide and far reaching and it is unlikely that the CWG would narrow it down significantly. It has not been possible to 'test the market' on the draft scope in the time available. However, based on past experience, this work could cost between \$500,000 and \$600,000.
39. The Chair, CWG and SRG will require the following supporting resources:

Project Management

- project plan development
- preparation of reports and information
- consultant management and support
- budget, timeline and deliverables management
- stakeholder relationships
- general support to Chair and CWG as needed
- general SRG support as needed

Administrative Support

- meetings, agendas and minutes as needed
- general CWG support as needed
- general SRG support as needed

- | | |
|------------------------------|---|
| Communication support | • as needed |
| Independent technical advice | • peer review of technical information & study findings • independent resource to CWG as may be required |

40. The estimated cost of all of the above, including remuneration of the chair and CWG members, is \$543,000.
41. In addition to the above there would also be other costs not directly attributed to the scope, CWG or SRG work, which can be funded internally and is not included in the project costs indicated.
42. The total cost estimate for the project is between \$1,043 million and \$1,143 million, which needs to be funded over two years – 2014/15 and 2015/16. The project will be funded from the Mayoral Office budget.

Project Timeline

43. It is estimated that the project will take 52 weeks to complete, as indicated in figure 3. Subject to the committee's resolutions on the proposals in this report, the project will effectively start in early June this year, with completion at the end of June 2016.

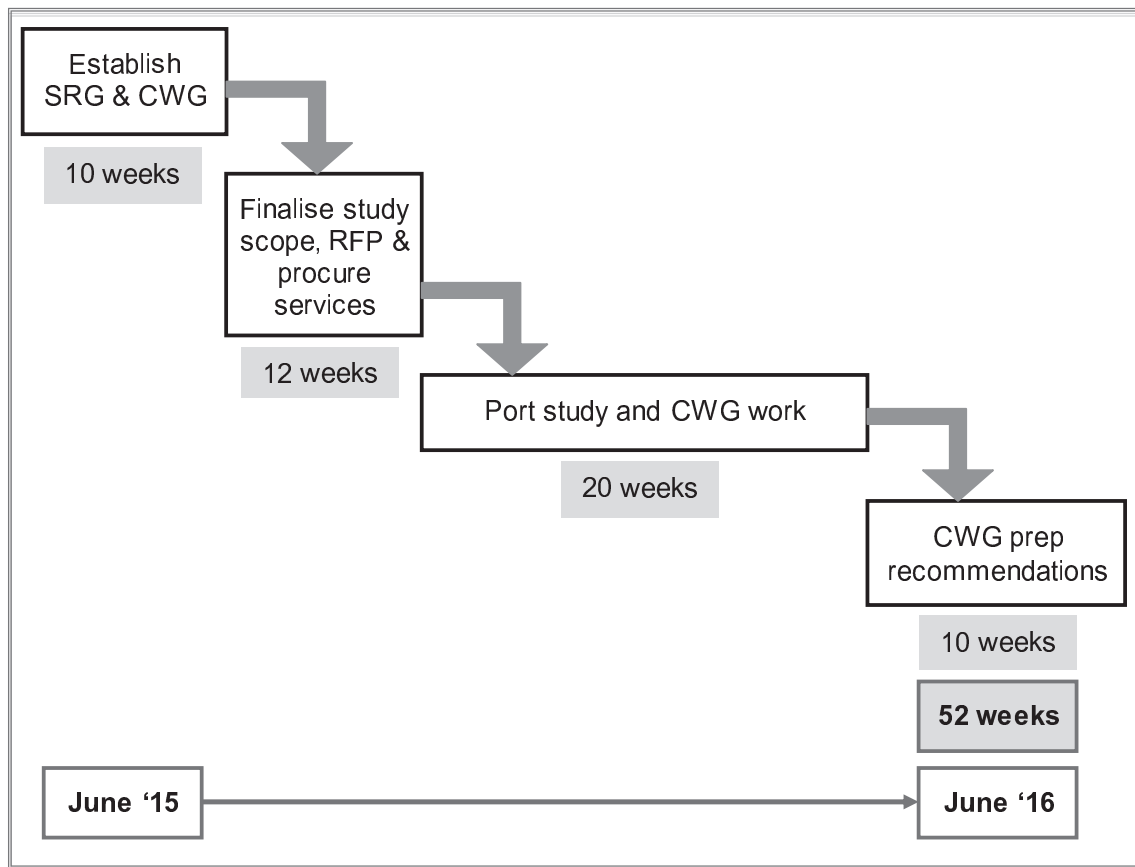


Figure 3: Broad project timeline

Consideration

Local Board views and implications

44. The views of Local Boards have not specifically been taken into account for the purposes of this report, other than the extent they were accounted for in previous committee resolutions.
45. The proposals in this report suggest that, given the governance role Local Boards have, they not be directly involved in the collaborative process. Rather, that Local Boards exercise their governance responsibility at the time when recommendations and/or concrete proposals are to be considered.

Māori impact statement

46. The views of neither Māori nor the Independent Māori Statutory Board have specifically been elicited for the purposes of this report, other than the extent they were accounted for in previous committee resolutions.
47. The port sits within a cultural, economic, environmental and social context for Maori, due to its relationship to the Waitemata Harbour which is a taonga and source of identity for Maori, as well as a source of economic and social well-being. The Waitemata is also seen as a key gateway into Auckland by the Ngati Whatua, Waiohua -Tamaki and Marutuahu tribes. Also, the ports have provided a source of employment for Maori over many generations.
48. Council has made key commitments to Maori through the Auckland Plan, PAUP, LTP and the Maori Responsiveness Framework. These need to be taken into account and provided for in Council's consideration of:
 - how to recognise and protect Maori rights and interests and how to address and contribute to Maori needs and aspirations
 - incorporating Treaty Settlements in the thinking, including the pending Waitemata Harbour Settlements.
49. The advice of the IMSB is to be taken into account, especially in the design of the project's processes. Previous input has been taken into account in the design and further input is now sought on the proposed processes. The IMSB's input is also sought on the appointment of the Independent Chair (through a report under separate cover), including the person's appropriate experience and competence in understanding and working with Maori through a collaborative process.
50. With regard to mana whenua, Ngati Whatua, Waiohua-Tamaki and Marutuahu are the primary mana whenua groupings associated with the Waitemata and the ports. These groupings are made up of 13 individual mana whenua iwi. Given the strategic impact of the ports on broader economic, social, and environmental well-being, the views of mataawaka also need to be sought through this process.
51. The Transport Funding Consensus Working Group and Sea Change - Tai Timu Tai Pari present existing models of practice for partnering with Maori in collaborative processes. These approaches centre on a collaborative partnering approach and the fundamental view that mana whenua, in particular, are not a stakeholder, but a Treaty partner. Given the broader issues at play, the opportunity exists to include mataawaka subject matter experts to be involved as well.
52. Mana whenua will be invited to appoint representatives to both the SRG and CWG. The composition and representation on these groups will be worked through with mana whenua. Work will similarly be done to identify mataawaka representation.

Attachments

| No. | Title | Page |
|-----|---|------|
| A | Stakeholder Reference Group sectors and organisations | 59 |

Signatories

| | |
|-------------|--|
| Authors | Jacques Victor - GM Auckland Plan Strategy and Research |
| Authorisers | Jacques Victor - GM Auckland Plan Strategy and Research Roger Blakeley - Chief Planning Officer |