

OC230912

23 November 2023

Tēnā koe

I refer to your email dated 26 October 2023, requesting the following under the Official Information Act 1982 (the Act):

*“any and all cabinet papers, final briefings, and formal correspondence with and to the Minister of Transport, Minister for the Environment, Kiwirail, Waka Kotahi, iwi, Local Government authorities and agencies, external stakeholders and contracted advisors, relating to the potential move of Auckland’s downtown port in the term of the 53rd Parliament.”*

Nine documents fall within the scope of your request and are detailed in the table below. This table outlines how the documents you requested have been treated under the Act.

Doc no.	Title/subject line	Date	Response
1	Excerpt from Briefing: OC200967 Meeting with Nick Leggett, Chief Executive, Road Transport Forum, 9 December 2020	7 December 2020	Excerpt released in full
2	OC200686 Tier 2 Advice: Taking forward the Upper North Island Supply Chain Strategy (UNISCS)	16 December 2020	Refused under s18(d). This briefing has been previously released and is available on the <a href="#">Ministry's website</a>
3	OC210381 Forum on the Future of the Ports of Auckland - 17 May 2023	12 May 2021	Some information withheld under: s9(2)(a)
4	OC210678 Manukau Harbour Port Feasibility Proposals	10 September 2021	Some information withheld under: s9(2)(a), s9(2)(b)(ii), s9(2)(g)(i)
5	Withheld in full under s9(2)(f)(iv) – under active consideration		
6	Withheld in full under s9(2)(f)(iv) – under active consideration		
7	Withheld in full under s9(2)(f)(iv) – under active consideration		

8	Withheld in full under s9(2)(f)(iv) – under active consideration
9	Withheld in full under s9(2)(f)(iv) – under active consideration

Certain information is withheld under the following sections of the Act:

- 9(2)(a) to protect the privacy of natural persons
- 9(2)(b)(ii) to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Marian Willberg  
**Manager, Freight and Supply Chain**

## Document 1

### **Excerpt from Briefing: OC200967 Meeting with Nick Leggett, Chief Executive, Road Transport Forum, 9 December 2020**

(7 December 2020, pages 3-4).

#### **Freight Strategy for New Zealand**

- 7 The RTF supports development of a freight strategy for New Zealand. The RTF considers that, as a nation dependent on the export-import supply chain, developing a formalised freight strategy for New Zealand is an issue that deserves immediate attention.
- 8 The RTF noted that a coordinated, functioning supply chain is essential at all times, particularly in times of emergency.
- 9 The RTF believe a freight strategy will assist in forming transport investment priorities and identify long-term challenges and risks for the supply chain. Their view is that it is imperative that New Zealand builds “freight literacy” among the public and decision makers and a focused strategy would be a way to start this.

#### Comment

- 10 The Government set up the Upper North Island Supply Chain Strategy (UNISCS) (the Working Group) to respond to the growing need to better understand the supply chain. While the Working Group primarily focussed on the future of the Ports of Auckland Ltd (POAL), the process initiated conversations about the supply chain and the need to understand the system better. This was furthered by work undertaken by Sapere.
- 11 Our experiences through COVID-19 and recent port congestion issues have also highlighted the significant complexities of the New Zealand supply chain, including the importance of the location of our ports.
- 12 The Ministry's Tier 2 briefing on the UNISCS provides advice and options to take forward this work. The Ministry considers undertaking a freight strategy would be beneficial, helping to address uncertainties with POAL's future and provide a richer understanding of domestic and international supply chains.

## Document 2

### **OC200686 Tier 2 Advice: Taking forward the Upper North Island Supply Chain Strategy (UNISCS)**

This briefing is available on the Ministry of Transport's website:

<https://www.transport.govt.nz/assets/Uploads/OIA-response/RequestForTwoSupplyChainBriefings.pdf>

12 May 2021

OC210381

**Hon Michael Wood**  
**Minister of Transport**

## FORUM ON THE FUTURE OF THE PORTS OF AUCKLAND - 17 MAY

### Snapshot

You are part of a panel of six discussing and answering questions on the future of the Ports of Auckland Ltd (POAL). The debate *'The Auckland Port: where to from here'* is hosted by NZ Herald and adjudicated by their senior journalist Simon Wilson.

<b>Time and date</b>	<b>6pm – 7:30pm 17 May 2021</b>	
<b>Venue</b>	<b>Sky City Theatre</b>	
<b>Attendees</b>	Mayor Phil Goff, Auckland Council Ngarimu Blair, member of the Port Future Study consensus working group 2015/16 Julie Stout, member of the Port Future Study consensus working group 2015/16 Shane Vuletich, member of the Upper North Island Supply Chain Strategy Working Group 2018/19 Gary Blick, Principal, Sapere Research Group	
<b>Officials attending</b>	None	
<b>Run sheet</b>	5:30pm	Drinks and networking
	6:00pm	Minister to arrive
	6:05pm	Event begins
	7:30pm	Event ends, networking to follow
<b>Speaking notes</b>	Speaking notes and Q&As provided	

### Contacts

Name	Telephone	First contact
Harriet Shelton, Manager, Supply Chain	s 9(2)(a)	✓
Callum Gill, Adviser, Supply Chain	s 9(2)(a)	

## Overview

- You have been invited to join a NZ Herald convened panel exploring the issue of moving the Ports of Auckland. All of the other panellists excluding Mayor Goff have had direct involvement in producing a report on the future of POAL.
- You will give a short opening address where you can state your position on the ports question. The majority of the forum will be spent discussing Q&As with the other panellists.
- We provided you with advice before Christmas (OC200686 refers) highlighting a number of options you could take to progress work in this area. You agreed that the future of POAL would best be considered within the context of a freight and supply chain strategy.
- Talking points and Q&As are provided in Appendices 1 and 2.

## Format of panel

- 1 The evening will be hosted by Miriyana Alexander, head of premium at NZME, and moderated by Simon Wilson, Senior Writer at NZ Herald. Prior to the discussion, Simon will present a short introduction to the issues and recent history.
- 2 Simon will then call on you, the Mayor and the other panellists to make their own short introductory remarks, and the discussion will begin. The event begins at 6pm and ends at 7.30pm.
- 3 The audience will comprise of NZ Herald's premium subscribers, sector leaders in the city and members of the business community, including freight, transport, shipping, economic planning and import and export, along with iwi, urban design, environment and other sectors.

## The Ports Future Study overview was completed over 2015/16

- 4 The Port Future Study was a mayoral initiative to examine the future of POAL. It was conducted independently from Auckland Council and was without political representation. The study was completed in July 2016.
- 5 The study considered the economic, social, environmental and cultural costs and benefits, as well as the feasibility of a range of options for the future of the port.
- 6 The consensus working group had 16 members, twelve members from stakeholder organisations and four mana whenua. The Consensus Working Group appointed an independent consultant (EY) to identify and evaluate options for the long term future of the port.

## Overview of Ports Future Study 2016 shortlist options

- Option one: constraining Auckland's port to its current footprint
- Option two: enabling growth of Auckland's port at its current location
- Option three: continue with the current site in the short-to-mid-term but in the mid-to-long term move the port to a new location. Three primary location areas for further investigation emerged:

- Manukau Harbour area
- Firth of Thames area (within the Auckland region)
- Muriwai area

*Overview of Ports Future Study recommendations to Auckland Council in 2016*

7 The consensus working group presented four recommendations to Auckland Council. These were aimed at addressing future capacity concerns, competition for resources in Auckland CBD and supporting better environmental, economic, social and cultural outcomes:

- A port relocation option be established for freight only, noting that if the port is moved, cruise ships should continue to be accommodated near the CBD
- Comprehensive investigation of the identified location area options - Manukau Harbour and the Firth of Thames - be undertaken to decide which specific option is chosen
- Regular monitoring of relocation triggers be undertaken to identify the time at which the port relocation option should be exercised
- Subject to confirmed and credible commitment to establishing a port relocation option and to establishing sufficient additional berth length to accommodate expected growth in large cruise and multi-cargo vessels, the port should not expand beyond its current footprint (2016).

8 The next study was the Upper North Island Supply Chain Strategy, initiated in early 2018 by the Labour-led coalition Government.

**The origins of the Upper North Island Supply Chain Strategy completed over 2018/19**

9 The impetus for the UNISCS project was the Labour-NZ First government, which agreed a terms of reference for an Independent Working Group to develop a freight and logistics (supply chain) strategy for the upper North Island, including its ports.

10 The upper North Island, or 'Golden Triangle', was exclusively examined as the government recognised that it is the gateway to New Zealand's international markets, and the three ports' (Ports of Auckland, Port of Tauranga and Northport,) role in the supply chain is continuing to grow. Our analysis projects New Zealand's freight task to increase by about 50 per cent over the next 30 years.

11 While the future of the Ports of Auckland can be considered a local Government issue, the upper North Island ports and supporting road and rail infrastructure handle a significant portion of New Zealand's freight task. As the recent port congestion issues are highlighting, the effective operation of POAL is critical to the wider New Zealand economy and supply chain.

## The Government appointed an Independent Working Group to investigate the upper North Island supply chain

- 12 An Independent Working Group was appointed in early 2018. Their final report was released in December 2019. They concluded that the POAL freight operation in central Auckland was no longer economically or environmentally viable.
- 13 On behalf of the Independent Working Group, EY assessed five options:
- Do nothing (status quo)
  - Move to Northport
  - Move to Port of Tauranga
  - Move to Firth of Thames
  - Full move to Northport and Port of Tauranga
- 14 The Independent Working Group recommended an urgent decision for a full move of Ports of Auckland's freight business to Northport within 10 to 15 years, driven primarily by:
- loss of social licence to operate and expand and intolerable congestion beyond the port's gates
  - the opportunity for harbour-side redevelopment in Auckland and regional economic development in Northland.
- 15 Officials considered that there were some significant gaps in the analysis informing the decisions laid out in the Independent Working Group's final report. Officials recommended that further analysis was needed to test their conclusions and recommendations.
- 16 While we questioned the analysis undertaken, officials also agreed that the Independent Working Group presented some strategic arguments that warranted further examination, such as the potentially significant city-shaping and congestion-reducing benefits to Auckland and the regional economic benefits to Northland.

### *Cabinet consideration of the Independent Working Group's final report*

- 17 Cabinet considered the final report on 9 December 2019. Cabinet noted that the Ports of Auckland is not viable as the Upper North Island's key import port in the long term. Cabinet agreed to fund \$2 million for further work to be undertaken by officials to assist final decisions on the Independent Working Group's recommendations.

### **Officials led a work programme with economic consultancy Sapere to undertake a deeper dive on the UNISCS questions**

- 18 Given Cabinet noted that the Ports of Auckland is not viable in the long term, the key issues that Sapere, working with officials, needed to consider were: **when** the port should move, to **where** the port should move, and **how** best to facilitate this transition.

- 19 We were tasked to examine the same scenarios that the Independent Working Group considered:
- do nothing
  - full move to Northport (as recommended by the Independent Working Group)
  - full move to Port of Tauranga
  - an increase in capacity at Northport and/or Port of Tauranga
  - a new port in the Firth of Thames
  - a new port in the Manukau Harbour (discounted by the Independent Working Group early in the UNISCS).

*Sapere report's findings*

- 20 The Sapere report, dated 26 June 2020, supported by 16 sub-consultancy reports, widened the evidence base and contributed new findings to inform the analysis of the five potential port location options.
- 21 The report deepened our understanding of capital costs for infrastructure, consenting issues, traffic patterns in Auckland and potential port land redevelopment impacts. In particular, we now have a better understanding of the long-term operating impacts of each option on operators and the environment. The engagement with iwi, local government and port management was also critical to Sapere's process and findings.
- 22 Sapere's key findings were as follows:
- **The port has around 30 years' capacity** and the need to move the port is therefore not considered to be as urgent as recommended by the Independent Working Group. There is a ten to fifteen-year period to make a decision, allowing for long infrastructure lead times.
  - **Road congestion is not a reason to move the port**, contrary to the conclusions of the Independent Working Group. The port is a minor contributor to current congestion in Auckland and a move would not significantly lessen this.
  - **All the location scenarios would be difficult to engineer and consent**, present very high costs, and the economic costs outweigh the economic benefits. This contrasts with the EY analysis indicating a net positive economic benefit from a full shift to Northport.
  - **The highest ranked option is Manukau Harbour**, which is considered technically feasible although difficult to consent. The Independent Working Group discounted this scenario as uninsurable. Sapere found that navigability of the harbour entrance and insurability of shipping to use the harbour are less of a concern than the Independent Working Group identified, but this needs to be confirmed by a detailed feasibility study.
  - **Neither Port of Tauranga nor Northport are likely to be able to provide sufficient long-term capacity** to provide for both Auckland's and their own growth. Sapere reached this conclusion using the same expert port engineers as used by the Independent Working Group, but using a 60-year planning horizon to 2080 rather than 30 years to 2050. Additionally, a number of the supply chain actors spoken to by Sapere's transportation specialists rejected



Northport as an option because they see it as too far from, and on the wrong side of, Auckland.

### **There are significant differences between Sapere's and the Independent Working Group's conclusions**

- 23 There are significant differences between the Sapere technical assessment, and the conclusions of the Independent Working Group and its economic advisers, EY. As noted earlier, we see this as a result of both groups placing emphasis on different objectives and having different views on what they perceived to be broken in the system.
- 24 The Independent Working Group's recommendation of a move to Northport reflects their emphasis on three objectives: reducing Auckland's congestion, the transformational city-shaping benefits for Auckland, and regional economic development for Northland.
- 25 In contrast, Sapere's assessment was more focussed on a comprehensive cost benefit analysis and understanding the triggers of a need to move and the future capacity constraints at each port. Manukau Harbour was the highest-ranked option primarily due to the efficiency and environmental gains of having a port closely located to close to freight origins and destinations in South Auckland.
- 26 Sapere's work was forwarded to Ministers who agreed to its public release. Officials provided no advice on the Sapere report and Ministers agreed that the next government would need to consider the issue.

### **You agreed to take forward work on the UNISCS as part of a wider freight and supply chain strategy**

- 27 To take forward the UNISCS work, you have indicated support for an approach to "Build on the Independent Working Group's recommendations and Sapere's report and begin work on a national supply chain strategy, with a focus on the upper North Island" (Option 3 in OC200686).
- 28 The strategy would provide a 15-30 years or longer system-wide view and an intermediate level of strategic direction to inform more detailed investment decisions by central and local Government, iwi, and the private sector. It would be the first fully integrated piece of work to look right across industries, sectors and modes, identifying challenges and opportunities in the long-term.
- 29 A fundamental output of a supply chain strategy would be to establish how the freight system can support the Government to achieve its outcomes for New Zealand. This would require the balancing of objectives such as economic growth, decarbonisation, and supply chain resilience as a part of broader economic resilience.
- 30 Our recommended first priority for 2021 contained in briefing OC210240 (still pending your response), is on stakeholder engagement supported by an issues paper posing open ended questions to industry and other interested parties

## Biographies

	<p><b>Ngarimu Blair</b>, member of the Port Future Study consensus working group 2015/16</p> <p>Ngarimu is a director of Kaing Ora and currently the Deputy Chair of the Ngati Whatua Orakei Trust and their appointee to Whai Rawa Ltd which is a large commercial entity.</p> <p>He is a Director of the Sir Peter Blake Trust and a Co-Chair of the Mana Whenua Kaitiaki Forum which represents 19 tribes of the wider Auckland Region.</p>
	<p><b>Julie Stout</b>, member of the Port Future Study consensus working group 2015/16</p> <p>Julie Stout is a leading Auckland architect and Chair of Urban Auckland (Society for the Protection of Auckland City and Waterfront).</p> <p>She is representing groups associated with the built-environment professions of Auckland, plus recreational harbour users.</p>
	<p><b>Shane Vuletich</b>, member of the Upper North Island Supply Chain Strategy Working Group 2018/19.</p> <p>He is currently the managing director of Fresh Info, an economic research and strategy consultancy. Before founding Fresh Info in 2013, Shane led economics consultancy Covec.</p> <p>Shane was also a member of the Port Future Study consensus working group 2015/16.</p>
	<p><b>Gary Blick</b>, Principal, Sapere Research Group</p> <p>Gary has a diverse background as a consultant, having advised on topics in health care, international aid, resource management, the housing market, banking sector remuneration, internet use, and public finance.</p> <p>Gary was one of the authors of the Sapere analysis. He has a deep understanding of the technical issues, particularly on the alternative land use scenarios.</p>

## Annex 1: Opening remarks speaking notes

- Good evening Simon and my fellow panellists, I would like to thank NZ Herald for organising this forum tonight.
- It is a great opportunity for us to discuss the important matter of the future of the Ports of Auckland, and the relevant work that the panellists have undertaken to examine this complex question.
- In our manifesto, Labour committed to run an evidence-based collaborative process with stakeholders to agree on the future of the Upper North Island ports.
- Clearly, the recent port congestion issues have also brought into question whether the port has capacity to withstand supply chain shocks as Auckland grows over the next 30 years.
- There are a range of views on how long the port has capacity for further growth. The Port Futures Group and Sapere both indicated around 30 years. All forecasts will of course be wrong, however. We need to maintain a watch, keep options open and react in plenty of time
- I know that the Port are working tirelessly to remedy the current congestion , but this issue has clearly demonstrated the economic impact that the Port has on the rest of the country.
- I know there are also divergent views on the **where** question in particular - the Upper North Island Supply Chain Working Group, which Shane was a member of, made a strong strategic argument for Northport. The work that Gary Blick did with Sapere suggests that Manukau Harbour would be the best, but still difficult, location. This was in line with the earlier Ports Futures Group conclusions.
- There are significant social, environmental and economic considerations that arise from both of three report's conclusions, all of which have implications for Government, the private sector and society.
- Now we have all this evidence which has zoomed in on this very specific question, but we still need a strategy which looks at the bigger picture and context of a port relocation.
- I have commissioned the Ministry of Transport to continue work on the Ports of Auckland question within the context of a freight and supply chain strategy.
- This strategy will zoom-out to provide a generational approach. This is 30 year or longer system-wide view and an intermediate level of strategic direction to inform more detailed investment decisions by central and local Government, iwi, and the private sector.
- Ultimately, the Upper North Island Supply Chain Strategy Working Group's recommendations highlighted the complexity of planning the future of a single asset within the context of a complex system.
- The task of deciding the future of a port is more straightforward if the sole concern is efficiency and capacity.

- However, this question becomes more complex when other issues are considered, such as the port's role in the broader and local economy, the resilience of the port, the port's impact on the supply chain system around it, New Zealand's economic strategy, and questions of social licence to operate.
- This is a multi billion-dollar decision, and there are no easy answers. This is why I believe a strategic view on the Port's future is needed. This is something that Australia, and many other countries, have done to better understand how their supply chains operate and to inform investment decisions.
- With that, I would like to again thank NZ Herald for us hosting us tonight and I look forward to this discussing these matters further with you all.

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## Appendix 2: Question and answers

### ***Why has the Government deferred making a decision when this issue has been around so long?***

The Sapere report indicates that we have a 10- to 15-year window to make a decision on where to shift the port to. This is a similar conclusion to the Port Future Study, which recommended regular monitoring of relocation triggers over the short- to medium-term.

This is in contrast to the Upper North Island Supply Chain Strategy Working Group which indicated that a move was required with urgency.

Any move will cost billions of dollars, and have a significant impact on New Zealand supply chain. As well as the fiscal and economic implications there are also social, environmental and cultural implications for any relocation decision.

For all these reasons, I agreed with the Ministry of Transport's recommendation that this issue needed to be considered as part of a wider freight and supply chain strategy, which would look at the wider picture.

### ***Does the fact that the Government asked for further advice on the Ports question mean the Government is ignoring the final UNISCS Working Group report?***

No. The Working Group made an interesting strategic argument for Northport.

However, there are social, environmental and economic considerations that arise from the report's recommendations, all of which have implications for Government, the private sector and society.

That's why Ministers asked officials to test all of the analysis, options and recommendations from the final UNISCS report before the Government makes any final decision. COVID-19 also impacted our ability to make any final decisions and our priorities are ensuring that the New Zealand economy can bounce back from the global pandemic.

I expect the work on the freight and supply chain strategy to answer a lot of unknowns and provide extra confidence for Cabinet to move forward with this work.

### ***If the Ports of Auckland does need to move its import port, when would the shift occur?***

The Sapere report indicated that we have a 10- 15 year window to make a decision on where to shift the port to. This is a similar conclusion to the Port Future Study, which recommended regular monitoring of relocation triggers over the short-medium term. This is contrast to the Upper North Island Supply Chain Strategy Working Group which indicated that a move was needed with urgency.

COVID-19 and the port congestion issues that followed may mean that a decision is needed sooner than forecast, if New Zealand continues to grow its consumption of goods rather than services. However, more time is needed to see if this is a long-term trend.

The Ministry have indicated that their freight and supply chain strategy work could take 18 months or longer. I do not expect to make any commitments around relocation until after this work has been completed. However, I must acknowledge that Government do not hold all the power – this is an Auckland Council owned asset and we will need to work alongside them for any change.

***Does the Government have a preferred option for relocation?***

All options remain on the table at this point.

***How would any port move be funded?***

Funding and finance are an important consideration, especially in now given the economic impacts that COVID-19 has had.

But right now, we still need to work through the options for this, and the funding question is something that will need to be considered in the future.

***Why is the Sapere report so different from the Working Group findings?***

One key difference is that the Sapere results are based on a 60 year timeframe (to 2080), while the Working Group worked to a 30 year timeframe (to 2050).

Sapere also widened the evidence base and contributed new findings in several areas, including:

- Estimates of capital costs for port, road and rail infrastructure
- Testing and revising the supply chain operating cost estimates developed by EY, the Working Group's economic advisers
- Contestability of resource management consent processes
- Specific traffic modelling
- Extending the stakeholder and iwi engagement initiated by the Working Group and
- Detailed assessment of the financial impacts of land redevelopment on Auckland Council and the amenity benefits to ratepayers.

***Why did officials not require Sapere to use the same timeframe as the Working Group?***

Officials agreed with Sapere's view that infrastructure of this size, scale and longevity should be assessed over a longer time period than 30 years. The Working Group was independent of government.

***How much is it expected to cost to move the port?***

Depending on which of the five locations is chosen, Sapere estimated the total real costs, in 2019 dollars, to be between \$3.3 billion and \$17.4 billion.

The Working Group estimated around \$10 billion, with the Crown's investment estimated to be \$3-4 billion over the next 10-15 years for rail and road infrastructure.

At the point a preferred option or options are identified, a feasibility study would be undertaken and this would provide more definitive costings.

***If consensus cannot be reached by all parties, will the Government intervene with legislation to force change?***

Legislative intervention is an option of last resort, but we are nowhere near having to consider that.

First and foremost this needs to be a collaborative process and we would work hard to get consensus amongst the affected parties when this again becomes a priority.

**Why was Northport the location recommended by the UNISCS Working Group when just three years ago the 2016 Future Ports study ranked this as number 12 in the list of preferred options, using the the same set of consultants - EY?**

Northport was discounted in 2016, in part, because of its reliance on rail. The level of government commitment to rail in 2019 made it a viable option again.

**Auckland Council related questions**

**How had the views of the Auckland Council, Ports of Auckland Ltd and other stakeholders been taken into account in Cabinet deciding to defer a decision?**

Officials worked closely with stakeholders, particular iwi and the Cornerstone partners – the companies and councils with an ownership interest in the three upper North Island port – until this engagement work was truncated by COVID-19.

Among these groups there was no shared view on a preferred option. There was however wide agreement on some points, including a high level of interest in the options, and the process:

- A desire to see that decision have a robust evidence base, and be grounded within the wider strategic context of ensuring a secure, efficient Upper North Island supply chain and
- A desire for deeper engagement before a preferred relocation option is agreed. (Iwi noted that this consistent with the Treaty Partnership)

For these reasons we expect that these stakeholders will welcome the decision to defer a decision.

**Will Auckland Council be compensated for any move?**

Sapere notes that some sort of incentive is likely to be required to encourage Auckland Council to move the port. But the Independent Working Group concluded that the commercial incentives and rewards were sufficient for Auckland to achieve a port shift with government investment limited to supporting rail and road infrastructure.

So this issue of commercial incentives and compensation is one of the areas of difference between the two reports, and will need further consideration.

What I would say is the freeing up of Port land unlocks tremendous potential – and value generation for Auckland.

## **Northland and distance related questions**

### ***How does Cabinet's decisions on the location of a move of the Ports of Auckland impact investment in Northland rail?***

Restoration of the existing North Auckland Line to Kauri to the north of Whangarei have been funded by the PGF and viability of this investment was not influenced by the outcomes of the ports question.

AECOM's 2019 North Auckland Line (NAL) business case concluded that the feasibility of a rail connected Northport required significant levels of Auckland trade. The PGF investment in land purchase for the Marsden Point Link, secures the option for a rail connected port in future.

### ***Why is the Government buying land on the proposed Marsden Point Line? Doesn't that indicate the Government supports the move to Northport?***

This investment was made before I was transport Minister, but it appears to be a pragmatic investment that protects future options. It does not pre-judge the Government's final decision.

Purchasing the land over provides a 'least regrets' approach by preserving the ability to invest in a rail-enabled Northport in the future.

The land can be sold in the future if this option is not progressed.

### ***Isn't this about politics not economics?***

This is about facing the reality that the clock is ticking on the long-term future of freight operations in and out of Ports of Auckland.

### ***How does the dry dock and naval base being moved to Marsden Point fit in with the Northport option?***

I am going to be travelling to Northport soon to discuss the dry-dock issue. I am also aware that the Ministry of Defence are undertaking their Estate Review, which is looking at their naval assets. However, I do not know what their plans are for Devonport.

### ***How important will revitalising rail be in places like Northland?***

The government has been consistent in our focus on getting greater utilisation of rail. The recently released NZ Rail Plan is looking at the future of rail nationally and the role it can play in economic development. It is a more efficient and environmentally friendly way to move large amounts of freight.

This isn't limited to Northland, but the current work underway in Northland provides a great example of the potential for rail across the country.

The Rail Plans starts with a focus on achieving a core reliable and resilient network. Regional investments are a next step.

We also need to consider the huge reduction of truck movements we would expect to see in the city. This should bring significant benefits in terms of reduced total emissions and decreased levels of congestion.



***There is an argument that you don't want to move the Ports of Auckland too far away from the market – is Northport too far away from Auckland?***

Port of Tauranga is already a major hub for freight to and from Auckland. Northport is about the same distance from Auckland as Tauranga so clearly this is an option.

However, we recognise the concerns from shippers and carriers that lengthening the supply chain will have adverse effects, such as increasing the cost of goods and increasing our carbon footprint.

***How does creating a 300km return journey for each container in any way help our environment?***

Roughly 800,000 of the one million-odd containers that come into Auckland annually end up staying within a 25 kilometre radius of the current port. Moving to Northport adds a 150 kilometre journey to Auckland which we cannot ignore if we want to meet our GHG obligations.

This is one reason why the Sapere analysis recommended Manukau as its proximity to Auckland reduces overall travel time and emissions.

While a move to Northport would create a longer supply chain distance to Auckland, freight would likely be moved primarily by rail which produces less emissions compared to trucks.

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10 September 2021

OC210678

**Hon Michael Wood**  
**Minister of Transport**

**Action required by:**  
At your earliest convenience

## MANUKAU HARBOUR PORT FEASIBILITY PROPOSALS

### Purpose

To respond to your request to explore the feasibility of the Manukau Harbour as a new location for the operations of Ports of Auckland Limited (POAL), and to confirm or refute whether the bar and harbour are issues for relocation.

### Key points

- The future of POAL is a highly contentious issue with a large number of interested stakeholders. Previous processes examining future locations for POAL have not unanimously concluded on a single clear option. Northport, the Firth of Thames, and Manukau have all appeared in recent studies as potential future locations.
- In contrast to previous work which zoomed in on the POAL issue, our national freight and supply chain study is interested at looking holistically at the supply chain system. While the strategy will help inform decisions on ports more generally, it will not provide specific advice on where to move POAL.
- Given this, you asked us to advise you on a process to determine whether the Manukau Harbour was a feasible location of a future port. We approached four firms to test the cost and timeframe for this work. They responded with a range of possibilities from <sup>s 9(2)(b)(ii)</sup> [redacted] for a 6-month study with less certainty, to a <sup>s 9(2)(b)(ii)</sup> [redacted] 12-month study with greater certainty.
- Given the key outcome for this exercise would be to determine whether this option is viable, once and for all, the Ministry believes the more comprehensive latter option is required to take this forward. A risk of the quicker, less certain option is it may not tell us anything new and provide the certainty of an answer. A lot of work has been undertaken in the past to examine the future of the POAL and the Manukau as a potential location. The missing pieces to this have been the more in-depth assessments.
- We have only shared that we are looking into this with POAL and Auckland Council to date, who are keen to be kept involved with whatever eventuates.

**Recommendations**

We recommend you:

- 1 **discuss** the Manukau Harbour issue with officials to determine how you want to progress with this work Yes / No

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Bryn Gandy  
**DCE, System Strategy & Investment**

..... / ..... / .....

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Hon Michael Wood  
**Minister of Transport**

..... / ..... / .....

- Minister's office to complete:**
- Approved  Declined
  - Seen by Minister  Not seen by Minister
  - Overtaken by events

**Comments**

**Contacts**

Name	Telephone	First contact
Bryn Gandy, DCE, System Strategy & Investment	s 9(2)(a)	
Harriet Shelton, Manager, Supply Chain	s 9(2)(a)	
Callum Gill, Adviser, Supply Chain	s 9(2)(a)	✓

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**You asked officials to investigate the Manukau Harbour port location issue further**

- 1 Officials met with you on 21 June 2021 to discuss the national freight and supply chain strategy, its objectives and what we might look to deliver over the next 18 months.
- 2 At this meeting, you also mentioned your desire for the strategy to consider the future of the Ports of Auckland. You were particularly interested in further understanding what the technical issues were around Manukau Harbour being a potential port location. You noted that Sapere showed this had the highest ranking due to its proximity, but there remained questions from the public around its viability and long term safety being on the West Coast.
- 3 We suggested that we would need to discuss this with engineering firms to get a sense of the costs, timeframe and tasks to understand this issue with greater certainty. We noted we would brief you following this process. We have now received four proposals.

**The Manukau Harbour as a port location ranked highly in the 2015 Ports Future Study and the Sapere work**

- 4 Manukau Harbour was identified as one of two potential new location to replace the current POAL site in the Waitemata Harbour as part of the Port Future Study in 2015. It was also the highest ranked option following the work undertaken by Sapere. The suggested site is displayed in the picture below, and are in the Central Manukau Harbour, Puhinui and Hikihiki.



- 5 The issue of moving to Manukau is very divisive – many believe the Harbour is too shallow and that the tidal Bar makes it inoperable for large container vessels. Weather and sea conditions experienced on the West Coast of New Zealand are also challenging. The wreck of the Orpheus in 1863 and the challenges of the Manukau bar have created a widespread pre-conception that a major port on the Manukau would create unacceptable safety issues.
- 6 This is the view that the Independent Upper North Island Supply Chain Strategy (UNISCS) Working Group took in their reports. Manukau was dismissed early as an option as it was deemed uninsurable.
- 7 Many commentators also consider the Manukau to be on the wrong side for shippers. While this is likely to present challenges, as no major ports are on New Zealand's West Coast, we note that it may also provide quicker access to Australia and our Sound Island ports.
- 8 Sapere recommended that this issue be investigated further and more detailed engineering assessments covering geology, hydrodynamics, sediment transport and operational reliability were needed before the feasibility of a Manukau port could be definitively confirmed.
- 9 Based on their analysis from <sup>s 9(2)(b)(ii)</sup> [REDACTED] the issue with the Bar is an engineering issue which can be overcome.
- 10 However, none of the work that has been done on the Manukau site has been comprehensive enough to provide a conclusive answer as to its feasibility. The value of a further exercise would be in its ability to achieve this.

**We spoke with four firms asking them to provide indicative proposals outlining cost, timeframe and required tasks**

- 11 Following our meeting in June, we privately approached a number of engineering consultancy firms seeking their views on this potential work. We were cognisant that this is a niche area of coastal engineering, and the number of applicable firms that could undertake this type of work is small. However, we still wanted to approach a number of firms to compare approach and the indicative cost.
- 12 Despite giving each firm the same background on what we were after, we received a range of different approaches for undertaking this type of work. Broadly, these can be categorised into two types – shorter and cheaper with less certainty, and, more expensive and longer with more certainty. This is reflected in the table below:

Proposals	Indicative cost	Timeframe
[REDACTED]		6 months
		6 months
		9 – 12 months, possibly longer
		12 months, possibly longer

s 9(2)(b)(ii)

*(cheaper, quicker, less certainty)*

13 These proposals are both exclusively desktop based. The conclusions drawn from this type of work would lean heavily on each organisations existing knowledge on the Manukau Harbour, previous port-related work and their network of coastal engineers to provide informed opinions. s 9(2)(b)(ii)

14 These proposals focus heavily on the practical requirements for using the Manukau such:

- annual dredging requirements to ensure safe passage
- forecasted closure of port (due to adverse weather, maintenance of channel etc)
- navigability of the bar
- potential shipping line connectivity and transport cost implications
- high-level environmental impacts of dredging and commercial shipping on the Manukau Harbour.

15 Both bidders propose to phase their work, examining the Bar first to determine whether an entrance can be created, maintained and used to a sufficient level to support large scale port operations. Their phase 2 would consider the environmental impacts.

16 Phasing this work will be important as the engineers might encounter significant issues which deem the Manukau not fit for purpose. It is also possible that, while the Manukau could function as a future location, the annual dredging costs to keep the channel open are too high and make it commercially unviable.

17 s 9(2)(b)(ii) have estimated that the total work programme would cost s 9(2)(b)(ii) and take approximately 6 months to complete.

18 s 9(2)(b)(ii) does not include a timeframe and cost estimate. However, after talking with them further, they estimated that the total work programme would cost s 9(2)(b)(ii) and take approximately 6 months to complete.

s 9(2)(b)(ii)

19 We note that these are entirely desktop based and will likely not provide a definitive answer on the viability of the Manukau as a future location. Desktop assessments were undertaken as part of the 2015 Port Future Study and the Sapere processes. We are not certain that further desktop exercises will tell us anything new.

20 In general, we do not think this approach will be adequate to provide a robust answer to the complex questions around a potential future port site, or to answer the questions that will be put by either side on the debate around feasibility. This does not mean that these firms would not be capable of doing something more robust and that we would rule them out in any future process.

s 9(2)(b)(ii) (more expensive, longer, more certainty)

- 21 s 9(2)(b)(ii) Their proposal looks to build upon their existing knowledge by undertaking a comprehensive fieldwork programme over a 12-month period.
- 22 Their work programme would include a bathymetry survey and side scan sonar survey (mapping the seafloor), deployment of wave/current profilers, sediment sampling and developing a sediment transport model (figuring out where to put dredged material). This data would show how the Manukau Bar changes over the seasons to give a richer picture of what is viable
- 23 s 9(2)(b)(ii) have proposed a similar, albeit less detailed approach, recommending a fieldwork programme over several months. They propose to phase their work, examining the viability of the Bar first, then continuing to assess the navigability of the channel and dredging requirements.
- 24 s 9(2)(b)(ii) have estimated their total work programme to cost s 9(2)(b)(ii) As noted, this work will take a minimum 12 months to complete to ensure they get a full year's worth of data.
- 25 s 9(2)(b)(ii) did not include a timeframe and cost estimate. However, after talking with them further, they estimated that the total work programme would cost s 9(2)(b)(ii), and likely take 9 to 12 months.

s 9(2)(g)(i)

- 26 A lot of work has been undertaken in the past to examine the future of the POAL and the Manukau as a potential location. The missing pieces to this have been the more in-depth assessments s 9(2)(b)(ii) This approach would leave no room for error or assumption on what is viable as we would receive a rich picture on sediment and tidal flows in and around the Manukau.

**This work looks exclusively at the technical feasibility and does not consider the wider social and legal feasibility of establishing a new port**

- 27 Establishing a new port in the Manukau would be a massive undertaking for New Zealand with many flow-on implications. As part of our work with Sapere, we sought views from iwi, hapū and other Māori groups on the development of a port in the Manukau. This process highlighted that there was considerable concern about the environmental impacts, but a willingness in most cases to examine how these might be mitigated were a port to be developed.<sup>1</sup>
- 28 We also engaged s 9(2)(b)(ii), a resource management and planning specialist consultancy. Their professional opinion was that, under current RMA

<sup>1</sup> The health of the Manukau Harbour was the subject of one of the first claims ever lodged in the Waitangi Tribunal (Wai 8).

legislation and Auckland's Unitary Plan, establishing a new port in the Manukau Harbour would be extremely difficult without empowering legislation.

29 These are both important considerations to keep in mind if you want to progress.

**We have informed POAL and Auckland Council that we are looking into this work**

30 We informed POAL and Auckland Council relatively early on that we are having discussions with engineering firms about the potential of Manukau Harbour for a new port. We made it clear that nothing was confirmed that we were in the very early exploration phase. We promised to keep them engaged in this process. s 9(2)(g)(i)

31 This is a very commercial issue with a range of flow-on implications. We suggest that you work closely with officials in your engagement with POAL and/or Auckland Council going forward.

**If you want to progress with this work, advice from procurement is to run an open competitive tender process**

32 As noted earlier, we privately discussed this opportunity with a number of firms to gauge their interest, and to receive indicative cost, timeframe and required works.

33 The advice we received from procurement was that we should follow the standard procurement process, and at this level of cost we would expect to run this as a competitive open process. These processes typically take around three months to complete.

*The Ministry does not have funding available for this work*

34 The proposals we have received have confirmed that this type of work is costly. The Ministry does not have available budget in its baseline to pay for this type of work. If you wanted us to take it forward, we would need to seek funding from elsewhere across Government or look to submit a bid as part of Budget 2022.

35 We would anticipate that the funding envelope would need to include some contingency to deal with any unexpected issues, and to help you take this forward with Auckland Council / POAL if you wish.

**Next steps**

36 We recommend you meet with officials to discuss this project and determine how you might want to proceed.