

Speech notes Mike Lee

Ports of Auckland

Customer Commitment Conference

Hilton Hotel

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It is a great honour to be here today to give you a brief summary of the Auckland Regional Council view of, and commitment to, Ports of Auckland Ltd. At the outset let me say that it is a self-evident fact that Ports of Auckland is an absolutely critical part of the regional and national economy, and brings wide benefits to the Auckland region.

The Auckland Regional Council is fully committed to Ports of Auckland – it is a very highly regarded company and an integral part of the ARC Group of organisations.

Therefore I want to reassure all of you today that contrary to what one or two uninformed commentators may opine from time to time the Port is here to stay.

Can I repeat that for good measure? **THE PORT IS HERE TO STAY!**

The Auckland Regional Council, as the ultimate beneficial owner on behalf of the people of the region, recognises that Ports of Auckland is an integral part of a large and complex container freight logistics chain.

It is New Zealand's largest port in terms of container volumes and the value of cargo, and it handles 50% of North Island containers. POAL's total effect on the national economy (core economic impact plus trade impact) is \$17.3 billion a year, or 13% of the total economic activity in New Zealand.

Aucklanders have good reason to be proud of their international Port, which is consistently rated as a top performer by you, its customers.

The Port is a part of our regional heritage – part of our history. Auckland was founded in 1840 because of the suitability of its port, and the city and port have grown together. Businesses were set up near the Port after 1840 to handle trade, to process goods for export or to manufacture goods from imported raw materials. These businesses have provided employment generated wealth

for Auckland, and attracted people to come and live here and to help make the city-region what it is today. There is a song 'we built this city on rock and roll' well Auckland was built on the maritime trade - exports, imports in other words ships and their cargo. The port is the bedrock foundation on which Auckland was built and upon which will it continue to prosper.

Back in 1971, when the first container ship *Columbus New Zealand* berthed at Fergusson Wharf, it took one-and-a-half days to unload 174 containers, and load 168.

Compare that with today when ships spent just 1.4 hours in port for each 100 standard containers shifted!

During the 35 years in between, there has been dramatic growth in Ports of Auckland's container business and a revolution in the systems and technology the company employs to handle it.

Yourselves and the Port company are responsible for that – it's a truly remarkable development and my congratulations to all of you for bringing great innovation and efficiencies to yours and ours business.

Let me say again the ARC Group recognises the Port's crucial role in the regional economy. Our local and regional plans - the Auckland Regional Policy Statement, the Auckland Regional Plan - Coastal, and the Auckland City District Plan all underline its importance.

In addition, the Hauraki Gulf Marine Park legislation recognises Port operations and shipping as essential commercial activities, and aims to ensure their integration into the environmental management of the Gulf.

A year ago last July, I warmly congratulated the ARC's investment organisation Auckland Regional Holdings, when it bought back 100% and the public ownership of Ports of Auckland, because my Council appreciates the wider benefits of having the company in public ownership.

Since its formation in 1988, POAL has contributed over half a billion dollars million in dividend streams to its regional majority shareholder. That money has been used to fund critical regional

transport and stormwater infrastructure. That is money well spent and it benefits all of us now and into the future.

The Port and the value it creates is and will be a most critical element in city building.

The ARC fully supports Ports of Auckland's strategic plan to concentrate its cargo handling business at the eastern end of the CBD waterfront, thereby freeing up the Wynyard Point area for urban renewal for mixed-use development, for the long-term benefit of the city and region.

We have spent the best part of the last two years talking with and listening to the public and to the marine industries about what we all want to see happen in the future to the Wynyard Point area.

There is a high degree of agreement and emergence on the scale and configuration or development provision of parkland and protection of the existing marine industry. That means we are building a very strong foundation for the future re-development of this area.

Long-term planning is in progress by Ports to find new homes for the bulk liquids industry, but we will future-proof an area of zoned land for the marine and fishing industries.

Land has been set aside for a marine events centre and to allow for plenty of public open space and access to the water. The parkland at the end of the point will also provide ample space for a future iconic building after 2016.

We are determined to create a water front development which will be a major attraction for visitors to Auckland and which will enhance Aucklanders' quality of life. A water front development of regional, indeed national economic significance.

Ports have been the leading partner in the commercial negotiations that are taking place, and I'd like to thank Geoff Vazey and POAL Board for their on-going commitment to getting a truly remarkable development underway on that land.

I wish you all well in your continuing business with Ports of Auckland.

Thank you.