

Tripartite Accord on Auckland's Port and Waterfront

Parties

1. **Auckland Council** (the **Council**)
2. **Port of Auckland Limited** (POAL)
3. **Maritime Union of New Zealand**, acting as the principal representative of unionised workers and their unions at the Port of Auckland (together, the **unions**), which include the Maritime Union of New Zealand, the New Zealand Merchant Service Guild, the Aviation and Marine Engineers Association, and the Association of Marine Professionals Incorporated.

Together the **Parties**

Preamble

- A. The Council, POAL and the unions representing workers at the Port mutually recognise that the Port and the waterfront space it occupies are among Auckland's most important assets.
- B. The Port faces significant long-term challenges. There is a mutual commitment to resolving these challenges and making the most of these significant assets for Auckland.
- C. The Council has determined a set of Ownership Objectives for the Port that reflect its significance. To address the long-term challenges facing the Port, the Council endorsed the *Plan to make the most of Auckland's Port and Waterfront* (the **Plan**). The Plan was agreed in close collaboration with the other Parties and taking account of feedback from the public. A copy of the Plan is attached to this Accord at Appendix A.
- D. The Plan sets out a package of actions which together provide a boost to Auckland's economy, make better use of Auckland's waterfront, and, overall, improve the quality of life in Auckland. These actions support the delivery of port operations on the existing site, including the delivery of sustainable dividends to Auckland Council and enhanced economic development in the Auckland Region.
- E. A tripartite relationship was proposed in the Plan to ensure long-term collaboration, good faith, and alignment behind shared objectives for the Port and waterfront.
- F. This Accord records the Parties' endorsement of the Plan and formalises the tripartite relationship between the Council, POAL and the unions.
- G. Health and safety of the Port workforce will remain a focus of the relationship and all decisions that are made in relation to the Port. The Parties also recognise the importance of ensuring a high-quality workplace for workers as part of the Port's long-term success.
- H. The tripartite relationship established in this Accord will also apply to other initiatives for the Port that impact the Parties outside of those identified in the Plan.
- I. The Parties acknowledge that the Port and waterfront are located on whenua of enduring cultural, historical, and spiritual significance to mana whenua. This Accord

complements Council and POAL's broader commitments to te Tiriti o Waitangi and supports efforts to engage meaningfully with mana whenua on matters relating to the land, moana, and taonga of Tāmaki Makaurau.

1. Purpose

- 1.1. This Accord establishes a tripartite relationship to support effective collaboration on matters relating to Auckland's Port and waterfront. It formalises the Parties' commitment to work in good faith and with transparency, sets out the principles that will guide their collaboration, establishes the Tripartite Forum as the primary platform for ongoing engagement, and records the Parties' endorsement of the Plan and their commitment to its implementation.

2. Goals of Tripartite Accord

- 2.1. Through this collaborative relationship, the Parties aim to achieve the following outcomes:
- a) Deliver tangible progress on the package of actions outlined in the Plan.
 - b) Promote alignment and clarity between the Parties in Port and waterfront-related initiatives.
 - c) Create a structured forum for ongoing dialogue, coordination, and problem-solving.
 - d) Strengthen trust and engagement between the Parties by leveraging their respective roles and expertise.
 - e) Ensure each party's interests are understood and considered in Port and waterfront activities.
 - f) Support a resilient and sustainable future for Auckland's waterfront and port operations.

3. Acknowledgments

- 3.1. The Parties acknowledge the following:
- a) Each party has a distinct role in relation to the Port and waterfront including POAL's operational independence under the Port Companies Act; the Council's role as shareholder of POAL and representative of the ratepayers of Auckland; and the union's role as representative of the workforce at the Port. This Accord focuses on initiatives where those roles intersect and where collaboration provides mutual benefit.
 - b) This Accord is not legally binding and does not affect, limit, or restrict any party's rights or obligations under applicable law.
 - c) Auckland Council is subject to a legal obligation to provide information (for example, under the Local Government Official Information and Meetings Act 1987). Auckland Council will consult, where reasonably possible, with the other Parties before releasing information that relates directly to this Accord.

4. Commitments

- 4.1. The Parties agree to the following commitments to support a strong, constructive, and enduring tripartite relationship:
- a) **Mutual Respect and Consideration**
Each party acknowledges the importance of the others' roles and responsibilities. When decisions or actions may impact another party, they will engage meaningfully and show how they have taken those impacts into consideration.

b) **Commitment to Collaboration**

The Parties will work together on shared challenges, seeking opportunities for joint feedback, aligned advocacy, and practical engagement on solutions. This includes forming working groups where appropriate, and collaborating on strategy and design (e.g. waterfront development).

c) **Supportive Engagement During Change**

Where Auckland Council is considering changes that may affect POAL or its workforce, the matter will be brought to the Forum for discussion at the appropriate time.

d) **Transparency and “No Surprises”**

Parties will engage each other early and openly. Communication will be transparent and proactive, avoiding surprises on matters of shared interest.

e) **Shared Commitment to Health and Safety**

The Parties reaffirm that the health, safety, and wellbeing of the Port workforce and the public is paramount. All proposals and decisions under this Accord will consider their potential impact on health and safety outcomes. The Parties commit to continuous improvement and shared learning in this area.

f) **Respectful Use of Information**

Any information shared between Parties will be treated with the same care and stewardship as if it were their own, recognising confidentiality and trust as essential to the relationship.

g) **Application of High Performance High Engagement (HPHE)**

The Parties are committed to using HPHE principles in their joint work. HPHE supports participatory and respectful engagement, particularly when designing or implementing change. (See Section 6 for further detail.)

5. How We Work Together: The Tripartite Forum

5.1. This section outlines the structure, purpose, and operational arrangements of the Tripartite Forum (the **Forum**), ensuring effective collaboration through regular engagement and open dialogue.

5.2. Purpose and Objectives

- a) The Forum serves as the primary mechanism for ongoing collaboration between the Council, POAL, and the unions. The Forum provides a structured platform where the Parties can engage in open dialogue, share information, resolve issues, and align their efforts on shared goals related to Auckland's Port and waterfront.
- b) The key objectives of the Forum are to:
 - i. Foster cooperation, transparency, and a shared understanding of the challenges and opportunities facing the Port and Waterfront.
 - ii. Ensure mutual interests are respected, and strategies are aligned with the goals outlined in this Accord.
 - iii. Support implementation of the actions under the Plan.

5.3. Forum Meetings

- a) **Membership:** The Forum will consist of senior representatives from each Party. Meetings will ordinarily proceed when at least six members are present, including a minimum of two representatives from each Party.

- b) **Frequency:** The Forum will meet at least twice a year, or more frequently as needed to respond to emerging issues or key milestones.
- c) **Agenda:** Meetings will follow a structured agenda, agreed in advance by the Parties. Regular standing agenda items will include:
 - i. Progress updates on ongoing matters.
 - ii. Reports on collaboration between the Parties.
 - iii. Updates from any established working groups.
 - iv. Reflection on what is working well and areas for improvement.
 - v. Planning for upcoming work and agreement on desired outcomes.
- d) **Chairing:** The Forum will be chaired on a rotational basis, with each Party taking turns to lead the meeting. The rotating chair will facilitate discussions and ensure that all relevant topics are covered.
- e) **Decision-Making:** Decisions within the Forum will be made by consensus wherever possible. If consensus cannot be reached, the Parties will engage in collaborative problem-solving to find a mutually agreeable solution.
- f) **Documentation:** Minutes of each meeting will be recorded and circulated to all members within a reasonable time after the meeting. These minutes will summarise key discussions, decisions, and any follow-up actions required. All Forum members are expected to act on agreed actions and report back at subsequent meetings.
- g) **Transparency:** The Forum will operate with transparency, ensuring relevant information and updates are shared with other stakeholders as appropriate, while respecting confidentiality and privacy requirements.
- h) **Administrative Support:** The Council and POAL will provide administrative support and venues for meetings. The unions may have limited administrative resources as compared to the other Parties and will be provided reasonable accommodations as necessary to support their participation.
- i) **Working Groups:** The Forum may agree to establish working groups to progress specific issues, initiatives, or aspects of the Plan. Each working group will have clearly defined objectives, terms of reference, and timeframes. Membership may include representatives from the Parties and, where appropriate, external experts or stakeholders. Working groups will report regularly to the Forum on progress and outcomes.

6. High Performance High Engagement

- 6.1. The Parties agree to apply the High Performance High Engagement (HPHE) approach as the foundation for how they work together under this Accord.
- 6.2. HPHE is a collaborative model that supports high organisational performance by ensuring that those affected by change are actively involved in shaping it. It is built on mutual respect, transparency, and shared problem-solving — and has been a successful model for improving relationships between POAL and the unions.
- 6.3. **Core HPHE Principles and Behaviours:**
 - a) Involve those closest to the issue in developing solutions

- b) Ensure meaningful participation in decision-making
- c) Build trust through consistent, transparent communication (“no surprises”)
- d) Deeply understand and consider each party’s interests
- e) Acknowledge mistakes and use them as learning opportunities
- f) Seek consensus where possible
- g) Maintain respectful engagement, even during disagreement

6.4. The Parties commit to embedding these principles in the Forum’s work, including meetings, issue resolution, and strategic discussions.

7. Dispute Resolution

7.1. Any issues or concerns arising out of this Accord shall be resolved through face-to-face discussion between the Parties following the HPHE principles.

8. Review and Amendment

8.1. This Accord reflects the Parties’ commitment to an enduring tripartite relationship. The Parties acknowledge that over time the nature and focus of the relationship will evolve to reflect changing circumstances. The Parties will meet to review this Accord no later than 18 months after it is signed, and afterwards at least every **three years** or otherwise as agreed.

8.2. The Parties may at any time agree to review and amend this Accord to reflect:

- a) Changes to the goals of the relationship as they reflect changing circumstances
- b) Any other changes the Parties agree are necessary

9. Withdrawal

9.1. Any Party may withdraw from this Accord by providing written notice to the other Parties. In such a case, the withdrawing Party commits to a final meeting to discuss the implications and support continuity of the Forum where possible. The remaining Parties may agree to continue this Accord or review its structure.

10. Signatories

Signed on behalf of **Auckland Council**; by:

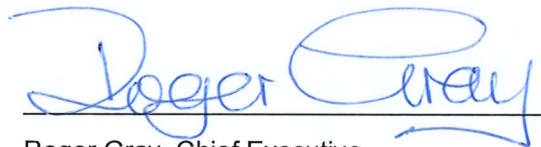


Wayne Brown, Mayor

Date:

22 September 2025

Signed on behalf of **Port of Auckland Limited**; by:

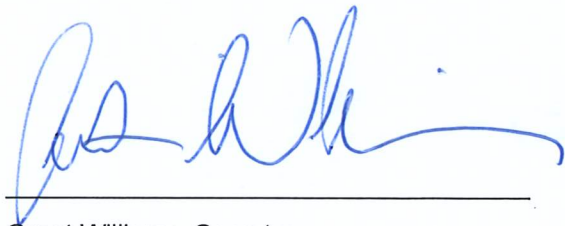


Roger Gray, Chief Executive

Date:

22 September 2025

Signed on behalf of **Maritime Union of New Zealand** representing the unions by:



Grant Williams, Secretary

Date:

22 September 2025

Appendix A: Plan to make the most of Auckland's Port and Waterfront

OUR PLAN TO MAKE THE MOST OF AUCKLAND'S PORT AND WATERFRONT

Our plan to make the most of Auckland's port and waterfront

Mayor's Foreword

I am proposing a new plan, backed by the Port and unions, for making the most of Auckland's most significant asset – its Port and waterfront.

I have long been determined that Aucklanders get more from these assets and this new plan shows how we can.

Under the last Mayor, the council started considering leasing the Port and that process although controversial has helped us understand what Auckland Council should expect as returns from the port.

In working together with the Port and unions, we have come up with a much better plan which will deliver better financial returns to council than we projected with the Port lease. It gets us some great new public waterfront space for the city, improves ferry services, provides a boost to our economy, and, overall, would improve the quality of life in Auckland.

We show how we can accommodate an efficient and productive Port, as well as enabling other uses and aspirations for the waterfront.

The plan also makes progress on a longer-term vision.

It lays the groundwork for the long-term strategic alignment of the council, Port, workers, and other stakeholders behind shared objectives for the Port and Auckland's waterfront. This is what was needed to resolve competing demands on waterfront space.

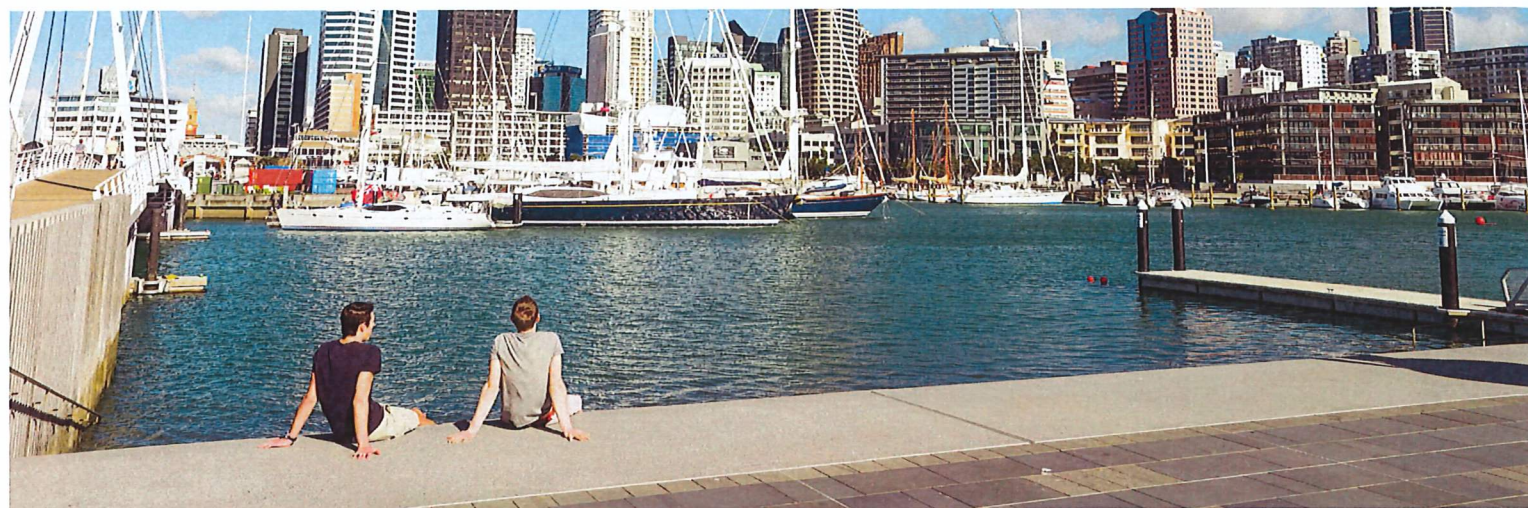
I've been clear about my vision for Auckland to have the most loved waterfront of any Harbour city in the world, and about the need to plan for the future of the Upper North Island supply chain. These moves require long-term thinking, and this plan makes progress on that.

I'm pleased this is also consistent with my direction to significantly enhance council's strategic oversight of council-owned organisations, make the most of our existing assets, and improve the council's overall financial position.

I want to thank the Port, the Maritime Union of New Zealand and other Unions at the port for their willingness to work together on this and acknowledge their significant contribution already to the city.



Mayor Wayne Brown



Summary

1. Port operation remains in council ownership, with enhanced oversight

Council will not progress with leasing the Port, but, consistent with Port's operational independence, will exercise enhanced council oversight of the Port's strategic direction.

2. New tripartite relationship between Auckland Council, POAL and the Unions

A new tripartite accord will be based on shared commitments to work together on the goals set out in this Plan, and make the most of the Port and Waterfront. It will provide a foundation for good faith collaboration and long-term strategic alignment.

3. Much better financial returns to Auckland Council – over \$1.1 billion in profits in next 10 years, exceeding projections from the lease

The Port has agreed to deliver significantly improved profits to the city, improving its profit forecasts by \$5 million in FY25, \$15 million in FY26 and \$20 million in FY27; at which point it will be contributing about \$2 million a week to the city. These increased returns will require increased charges and improvements in productivity.

The revised numbers are to be included in the Port's Statement of Corporate Intent and the Council's Long-Term Plan. They deliver more than \$1.1 billion in profits over the LTP period: \$200 million more than previously forecast under the "enhanced status quo" and \$172 million more than the projected net returns from investing proceeds of the lease.

4. Planning for the future of the Waterfront, Port and the Upper North Island supply chain – providing for long-term strategic alignment:

A. Providing certainty for the Port, its users, and workers

Council affirms an intent to support the Port to continue as a key import port of Auckland for the foreseeable future –which could well be 30 years or more – and until a long-term strategy for the Port and the Upper North Supply Chain is determined.

B. Progressing work on the appropriate commercial model for the Port to deliver maximum value to Auckland in line with the Council's ownership objectives, which includes:

- Investigating rationalisation of Port ownership in the Upper North Island, to promote the most efficient long-term outcomes for Auckland and New Zealand.
- Council considering further, in good-faith and collaboration with the Port and Unions, a property company / operational company split, given the potential of this model as a precursor to rationalisation. Council undertakes to work with the other parties to work through their concerns about this model.

C. Progressing a long-term initiative to develop a Comprehensive Waterfront Plan, building on recent work, with stakeholders to resolve the optimal use of port land for Auckland.

D. Progressing work on the long-term strategy for the Port and the Upper North Supply Chain.

It is accepted that a new main import port in the Upper North Island is needed in the future. While future development does not need to be centrally planned, the parties agree to working together to support a long-term strategy for Port development outside Auckland's city centre and the infrastructure required to support the Upper North Island Supply Chain. When significant Port consolidation occurs in the city centre, a just transition for workers into decent work is necessary.

E. Support for completion of existing infrastructure plans.

Completion of Bledisloe North and Ferguson Wharf are supported as this infrastructure is consistent with council's ownership objectives, enables land release, and will create an intergenerational legacy for Aucklanders.

F. No further expansion into the Harbour.

The Port affirms its firm position that the planned infrastructure set out in this plan completes the Port's footprint. It will not progress plans to extend the Port a further inch into the Harbour.

5. Plan for the central wharves to deliver new public space, better ferries and cruise in the medium term

A Masterplan will be developed with the public and key stakeholders based on the Framework Plan for the central wharves, to deliver:

A. Outstanding public waterfront spaces in the city's heart:

Building on recent progress, the plan includes the release of Captain Cook and Marsden to the city within 2 – 5 years, and provision of public access to parts of Captain Cook, Marsden wharves and the Breastworks (the adjoining east-west wharf space behind the red fence) can be transformed into outstanding public

space, with a mix of recreation, swimming, public events and art, food and drink, hospitality, commercial and maritime uses. The Breastwork will provide a significantly enhanced east-west access on the waters edge – a new waterfront promenade for Auckland.

B. Better and more reliable ferry services: Eliminating conflict with cruise and enabling growth of ferries, including electric ferries, on Queens Wharf will improve the ferry service for Aucklanders. This will also improve working conditions for ferry workers.

C. Major improvement in cruise: New facilities and dedicated wharves will boost cruise and its contribution to the city. New cruise infrastructure should be funded by cruise commercial operations.

6. Reduced contribution from Port to city centre congestion

The Port will continue implementation of “time of use” charging for trucks to reduce the contribution of Port traffic to city centre congestion. The parties will continue to support rail and coastal shipping, and investigate ways to improve the competitiveness of these modes. The plan also supports the growth of ferry patronage and removes cruise-related traffic from Princess Wharf and Queens Wharf.

7. Boost to the Port's economic contribution for Auckland.

The Plan supports the Port's economic contribution by providing greater confidence or certainty required to invest in improved facilities, supporting the completion of its infrastructure plan and plans to boost the cruise industry.

8. Reaffirmed commitments to meeting community expectations around environmental protection, health and safety and operational standards.



Benefits at a glance

- 
- **Much higher returns to Auckland Council.**
 - **Greater certainty for Port, its workers and users.**
 - **New outstanding public waterfront spaces.**
 - **Better, faster, more reliable ferry services.**
 - **Stronger economic boost to Auckland from cruise and freight.**
 - **Reduced city centre congestion.**
 - **Reaffirmed protection for the environment, health and safety and meaningful work at the Port.**
 - **A foundation for long-term strategic alignment of the Council, Port, workers and other stakeholders.**
 - **Progress towards certainty about the long-term future of the Waterfront, Port, and the Upper North Island supply chain.**

Why we need a new plan?

The Port of Auckland, and the waterfront space it occupies, are among Auckland's most important strategic assets

A productive Port of Auckland (POAL) is crucial to Auckland's economy and supply chain; and will remain so for some time yet. It is the largest import port for New Zealand, handling around 25% of total container volume. Its proximity to the Auckland market means importers receive products quicker, more reliably and with a lower carbon footprint. Its success is important for Auckland.

The Port is also a strategic financial investment for Auckland Council. It provides the council with a source of non-rates revenue to fund services and infrastructure.

The prime waterfront space the Port occupies is also of major significance to Auckland. It serves a crucial part of Auckland's public transport system, including ferries, cruise and other boating activities. The quality of the waterfront and its environment in the city centre make it outstanding internationally, with potential for recreational, cultural, and commercial uses. Redevelopment of the waterfront has been ongoing since the release of Viaduct Harbour in the 1990s.

The Port faces significant challenges and a fragile social licence

The Port, and Auckland Council as its sole shareholder, have been confronted with several major challenges in recent years.

A. Poor financial returns and an effective ratepayer subsidy of the Port.

The Port's financial returns have recently been low and below the council's cost of capital. This represents a ratepayer subsidy of the Port, which cannot be justified in the future given council's financial difficulties and the value of the land the Port occupies.

Recent events have also highlighted that council's financial investments are undiversified and concentrated in a few physical assets exposed to similar risks as council's other risks.

Investigations into the possibility of leasing the Port of Auckland have confirmed that improved profits are possible, even with a reduced Port footprint.

B. Intensifying tension between an industrial port and aspirations for a growing city centre. Which include:

- Conflict between cruise ships and ferries, which cause delays and cancellations for commuters.
- Increased truck movements contributing to congestion in the city centre.
- A growing opportunity cost of allocating CBD waterfront land to industrial activities
- and public desire for better access to the Waitemata harbour.

C. Uncertainty about the Port's future and capacity

Several major port studies have concluded that the Port will reach capacity and be unable to accommodate Auckland's growing freight task in the next 20-30 years. This analysis has reinforced the need to plan for future port development outside Auckland's city centre.

However, businesses require certainty to invest in infrastructure and jobs. The lack of clarity around POAL location, footprint and tenure over a number of years has noticeably held back willingness to invest in improved facilities at POAL, its customers and other stakeholders, and has resulted in business going elsewhere in a number of cases (containers and cruise in particular).

D. No agreed strategy for the Upper North Island supply chain.

Successive governments have not exercised leadership in making decisions or planning for public infrastructure required to support the Upper North Island supply chain in the long-term.

They have rightly pointed out that the Ports in the Upper North Island are all majority owned by local government either directly or indirectly, but local government has also not acted to resolve these long-term issues.

This means, despite the national significance of the supply chain and the acknowledged future capacity constraints, there is no agreed strategy or even a process to agree a strategy in the national interest.

Prior merger discussions between Port of Auckland and the Port of Tauranga were scuppered, potentially preventing economically sensible Port rationalisation that could have enabled rational decisions to be made about the Upper North Island supply chain unencumbered by parochial concerns.

E. Previous bad decisions and weak council oversight

Despite council ownership, the Port has suffered in the past from bad corporate decision-making and reputation. This has included an unacceptable safety and workplace relations record, and wasted resources on failed attempt at automation. This led to council resolving to enhance council oversight of Port's strategic direction and long-term planning.

The Port has started its turnaround, while long-term challenges persist

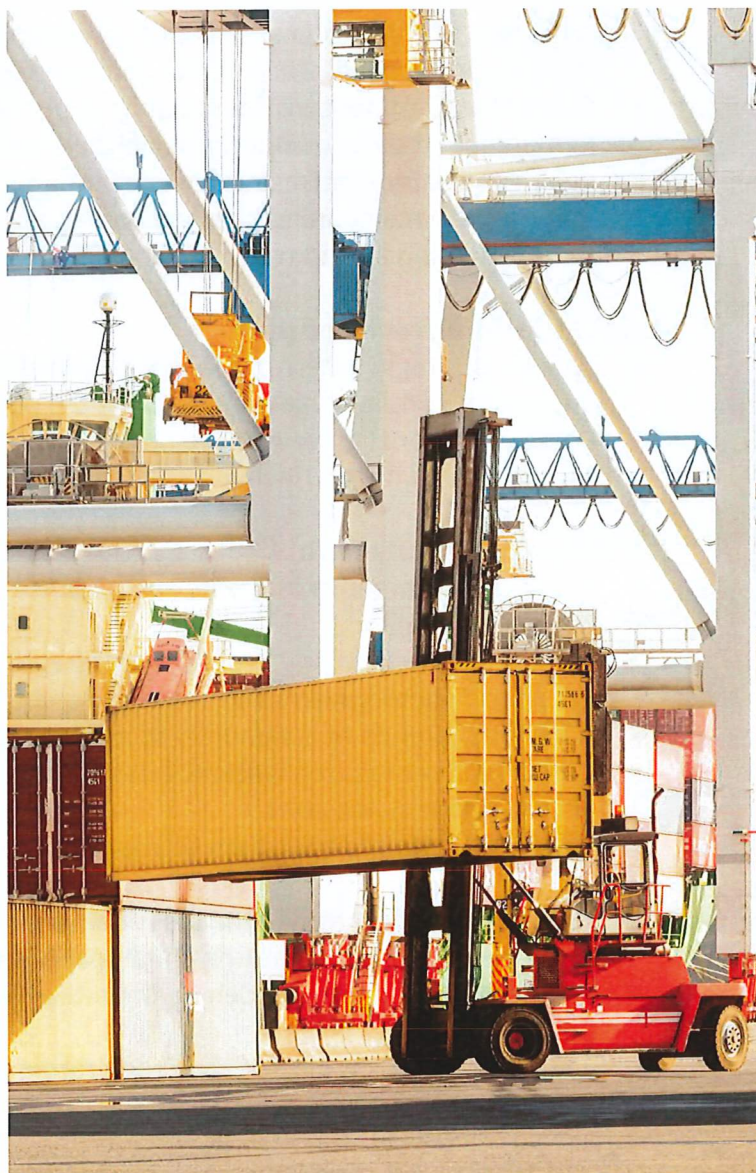
The Port of Auckland and Auckland Council have started to turn this around. The Port, driven by its Regaining Our Mana strategy, has improved its returns to council, workplace

relations and safety record. The Port – its board, management and workers – are to be commended for this effort. But, long-term challenges persist and there is no agreed plan to address them.

The opportunity of a new plan

There is an opportunity via the Long-term Plan to create greater certainty on Auckland's strategic direction in relation to the Port, giving Port of Auckland and customers the confidence to invest in Auckland region, while also continuing the progressive evolution of ports footprint to meet the aspirations of the council and community stakeholders.

Bringing the Port and workers behind this plan show we are serious about building relationships. A plan for the next phase – backed by the shareholder and workers – is needed to make the most of Auckland's Waterfront and Port.



Council's ownership objectives for the Port

The Governing Body has adopted six ownership objectives for the Port of Auckland. These remain relevant and the Plan delivers on these objectives.

1. Retain Council ownership of port land

- Ensure continued Council ownership of the strategic port land and seabed

2. Secure the POAL's development to secure growth

- Secure the POAL's development as a strategic community asset and an enabler of economic growth
- Ensure access to capital to meet the future investment needs of port users and regional trade
- Support the regional economy through stimulating trade, volume and employment growth, local business procurement and optimising the North Island logistics chain

3. Deliver open, efficient and sustainable port services

- Deliver open access, efficient and competitive port services to all port users
- Operate in alignment with community expectations and four well-beings (adherence to strict operating, social, cultural, environmental and sustainability, health and safety and maintenance standards)
- Emphasis on maintaining high levels of operational health and safety standards
- Drive reduction in land transport and emissions

4. Optimise waterfront land use

- Release strategic waterfront land for alternative community purposes by optimising port land use and shrinking the port footprint
- Preserve optionality for a future port relocation and development of a second Auckland port, including mitigating any transfer risks and costs

5. Enhance community control

- Safeguard community interests and enhance control of matters important to the community
- Enhance Council oversight of Port's strategic direction and long-term planning
- Enhance Council governance, reporting and oversight of port operations
- Ensure adherence to community operating expectations
- Comply with all legal obligations under the Marine and Coastal Area (Takutai Moana) Act 2011
- Ensure on-going commitment to implementing a Māori Outcomes Plan

6. Optimise financial returns to the shareholder

- Optimise dividend and returns on ratepayer capital invested in the POAL
- No increase in funding burden on the ratepayer and avoid further draw on Council capital
- Reduce POAL's debt burden and credit rating impact on Council



The plan to make the most of Auckland's port and waterfront

1. Tripartite relationship and shared commitment

A foundation of this Plan will be a new tripartite relationship agreement between Auckland Council, POAL and the Unions representing the workers at the Port – with the Maritime Union of New Zealand taking the lead on this plan.

This builds on the partnering approach under the High-Performance High Engagement model that has been part of the Port's turnaround.

A new agreement will include tripartite commitments to:

- work together on the shared goals set out in this plan to make the most of the Port and the space it occupies;
- deliver open, efficient and sustainable port services in alignment with community expectations;
- good faith, transparency and regular discussion, including on the Port's strategic direction and long-term planning, and the future Upper North Island Supply Chain.

This recognises the importance of the employees of the Port, and the importance of the Maritime Union of New Zealand and other Unions in the Port operation.

Health and Safety is a focus on the relationship, recognising the importance of health and safety at the Port both for employees and other Port users and the contribution that the Unions make to the safety of all at the Port.

The Parties also record their wish to work with mana whenua and other stakeholders in developing this relationship.

2. Public ownership of Port land and operations, with enhanced council oversight

Port of Auckland's strategic land, assets and operations are retained in council ownership. This means investigations relating to selling a long-term lease of the Port operations to another operator will be abandoned.

Council recognises the operational independence of the Port enshrined in the Port Companies Act. Consistent with that, Council will enhance its oversight of Port's strategic direction and long-term planning. It is acknowledged that this has been part of the Port's recent turnaround.

3. Much better financial returns to Auckland Council; an end to ratepayer subsidies

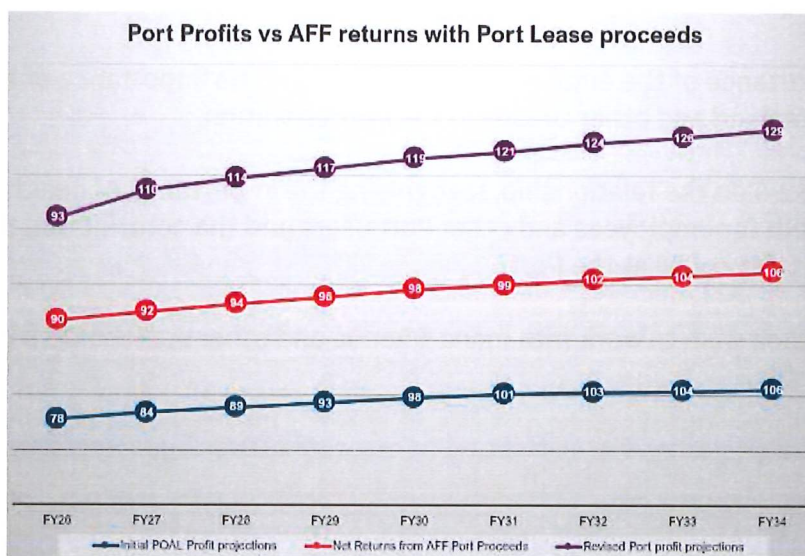
Port of Auckland has agreed to deliver Auckland Council much improved profits over the 10 years of the LTP. The new profit numbers for the first three years are:¹

- FY25: \$70 million up from the previous projection of \$67 million.
- FY26: \$93 million up from \$78 million.
- FY27: \$110 million up from \$84 million.

This revised financial performance sees POAL deliver more than \$1.1billion for the LTP period FY25-FY34. That is \$200 million more than previously forecast under the "enhanced status quo", and \$172 million more than the projected net returns from investing proceeds of the lease.

The revised numbers are to be included in the Port's Statement of Corporate Intent and the Council's Long-Term Plan. They are a formal commitment.

It is acknowledged that these increased returns will require increased charges and improvements in productivity, and all parties are supportive of this.



¹These equate to Net Profit After Tax (NPAT) of F25 \$65m F26 \$85m and F27 \$100m.

4. Planning for the future of the Port and the Upper North Island supply chain: long-term strategic alignment of the Council, Port, workers and other stakeholders

Recent port studies have concluded that Port of Auckland's container terminal may have sufficient capacity for around a further 30 years under reasonable assumptions about freight growth. At that point, a substantial amount of further land reclamation would be necessary if the Port was to continue as the main import port.

Long lead times for planning, consenting and construction of port capacity elsewhere mean that decisions need to be made sooner than that. Meanwhile, discussion of "moving the Port" sooner causes uncertainty for users and workers, and could delay investment required to meet the other goals of this Plan.

Port of Auckland, Northport and the Port of Tauranga could have sufficient capacity to accommodate the freight task for longer, but the current ownership structures may be a barrier to sensible rationalisation and discussion.

A long-term coordinated outlook is required, as part of a strong relationship between Port, workers and the council, which includes:

A. Medium to long-term certainty for Port users and worker: Auckland Council affirms its intent to support the Port to continue as a key import port of Auckland for the foreseeable future – which could well be 30 years or more – and until a long-term strategy is determined. This includes continued use of Bledisloe Terminal for the medium term.

B. No further expansion into the Harbour – Council's position is that, beyond the development discussed in this Plan, further land reclamation or wharf development that would be necessary for the Port to continue as Auckland's main import in the longer-term will be unacceptable.

The Port's firm position is that the planned infrastructure set out in this plan completes the Port's footprint for the future. It will not progress plans to extend the port a further inch into the Harbour.

C. Progressing work on the appropriate commercial model for the Port to deliver maximum value to Auckland in line with the Council's ownership objectives

Investigate rationalisation of Upper North Island port ownership

There have been several attempts at considering merging the ports in the Upper North Island. Many stakeholders, including the Unions, have supported the view that a merger could result in better economic outcomes for New Zealand and more economically rational decision-making about Port development.

Separate local authority ownership of ports may have been a barrier to economically sensible rationalisation, as well as a barrier to sensible planning for future Port development, given parochial or regional interests have dominated the national interest.

The Mayor has proposed that the time may be right to consider this issue again, particularly given the need for long-term planning for the region's freight task.

POAL have agreed that they are willing to investigate these options.

Consider model of ownership

Council will also progress consideration of the appropriate ownership structure, in full collaboration with the Port and Union. This includes considering an operating company / property company split, which may still have merit, as it could enable several of the objectives of this plan including:

- Better preparation for rationalisation discussions with, given the strategic land and assets will remain owned by Auckland Council even if operations are merged or ownership is changed.
- Greater certainty to council and Port about its future footprint through long-term lease arrangements, which set out the Port's footprint and land release timeframes.
- More transparent return on council's prime waterfront space that takes account of the opportunity cost in the highest and best use case.
- Ability for council to set environmental standards through lease conditions.
- Council undertakes to work with the other parties to work through their concerns about this model.

D. Progressing work on the long-term strategy for the Port and the Upper North Supply Chain.

It is accepted that a new main import port in the Upper North Island is needed in the future. While future development does not need to be centrally planned, the parties agree to working together to support a long-term strategy for Port development outside Auckland's city centre and the infrastructure required to support the Upper North Island Supply Chain.

When significant Port consolidation occurs in the city centre, a just transition for workers is necessary.

The parties will work together on planning infrastructure required to support the Upper North Island Supply Chain in the long-term.

E. Progressing a long-term initiative to develop a comprehensive Waterfront Plan:

Council intends to work with mana whenua, the port, and key stakeholders to develop a long-term Waterfront Plan that covers all land and wharves currently occupied by the port. This is a long-term project and will not assume that all the land is necessarily released.

The Waterfront Plan would determine the optimal use of, and staged release schedule for, the land and wharves currently occupied by the port.

The Port will continue to work with council on consolidation opportunities and enhancing public access.

5. Making better use of the central wharves to deliver new public space, better ferries and a boost to cruise in the medium term



The Mayor has a vision that Auckland could have the most loved waterfront space of any harbour city in the world. This requires working through the many competing demands and aspirations for the space.

Auckland Council and Eke Panuku have developed a Framework Plan for the central wharves to make better use of Auckland's prime waterfront space which would deliver:

A. Outstanding public waterfront spaces in the city's heart

- Captain Cook, Marsden wharves and the Breastworks (the adjoining east-west wharf space behind the red fence) transformed into public space, with a mix of recreation, swimming, public events and art, food and drink, hospitality, commercial and maritime uses.
- Long awaited opening and access to Admiralty Steps and Breastwork will provide a significantly enhanced east-west access on the waters edge.
- Public access can be provided to parts of Bledisloe Wharf as a shared space for public and cruise.

B. Better, faster, more reliable ferry services: eliminating conflicts between cruise and ferries over time, and accommodating electric charging, will improve ferry services so they can make a greater contribution to our transport network.

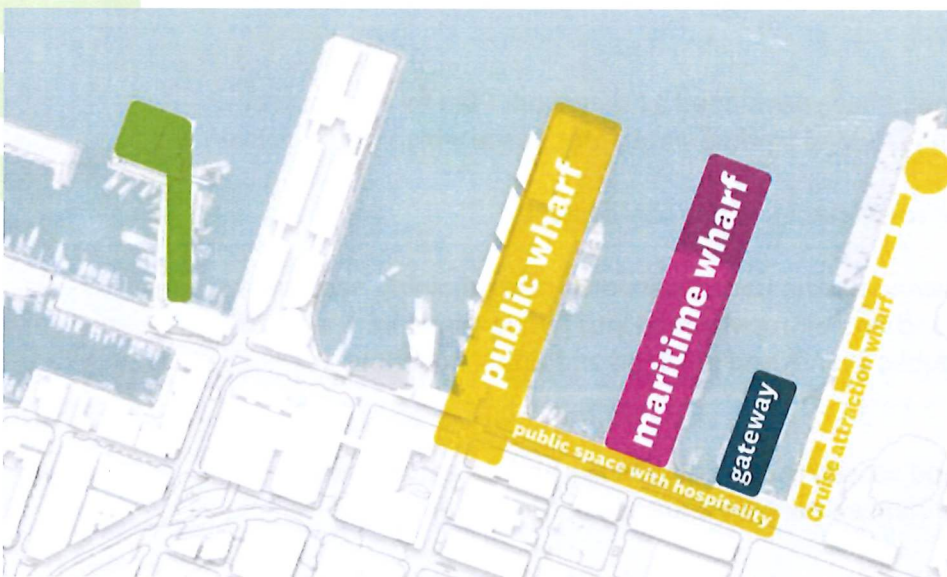
C. Economic boost from an enhanced cruise: by enabling larger cruise ships and building new fit for purpose facilities, moving from the ferry basin, will provide a big economic boost from the cruise industry.

D. Continued economic contribution from Port activities: without compromising its operations.

This Framework Plan resolves many persistent challenges currently evident that have not been resolved through previous ad-hoc responses given the competing demand for space. The Framework Plan provides fresh thinking for the wharves and water space that opens opportunities for a range of uses.

The success of these plans will be based on cooperation and joint planning, and inclusion of mana whenua, stakeholders and the public. To this end, it has been agreed:

- Auckland Council and Eke Panuku will work with the Port, mana whenua and other stakeholders to complete master planning for the central wharves, so it can progress to a publicly endorsed plan. This will include a broader plan / strategy for cruise.
- POAL will also work with Council and Eke Panuku input, and the other stakeholders, in developing its new infrastructure and precinct plan. POAL's priority is ensuring operational safety and fit for purpose infrastructure, it would accommodate community / future public access opportunities where possible within operational requirements.
- In principle POAL as a commercial business can fund this infrastructure which can create intergenerational legacy for Auckland.



Excerpt from Framework Plan, with addition of shared access to part of Bledisloe Terminal

The Framework Plan would be progressed in steps, including indicatively:

- The Port will proceed with consenting and construction of the new wharf at Bledisloe North within 2 - 5 years.

» *POAL can fund capex within existing debt facilities.*

» *This also supports POAL path of increasing profitability as POAL would charge infrastructure levies to obtain a fair return on the wharf and vehicle handling facilities – Cruise and RORO trades.*

» *New wharf operates as a mixed use berth for RORO and large cruise*

- Captain Cook and Marsden wharves (3.16ha) are released to Auckland Council within 2 – 5 years, subject to consent for the new wharf at Bledisloe North.

» *This step is supported by POAL and has no impact on POAL profitability in short term.*

» *Council will purchase Cook / Marsden at market valuation in compliance with the Port Companies Act, with the valuation methodology and method of transfer to be worked out. There is no net impact for Council Group from this transaction by itself (given it is internal to the Group), although the Port notes its intent to fund the additional capital infrastructure for Bledisloe North.*

- Cruise operations are fully transitioned out of the ferry basin in stages:

» *50% of cruise out of the ferry basin within 2 – 5 years (subject to new wharf at Bledisloe North).*

- New wharf accommodates >300m long cruise ships – a solution for Auckland

- Can immediately take ~50% of the cruise ships off Princes Wharf – reduces conflicts with ferries, and increases operational wind limits so less cancellation risk

- Interim solution of a cruise terminal in ground floor of existing Bledisloe Car Handling building, with traffic access off Tinley St and foot access off Quay Street.

- Second car handling building may be needed in medium term and Port will seek to make this relocatable to preserve long-term flexibility.

- Reduce cruise related traffic at Princes Wharf

- The same level of service would be provided at Queens Wharf in this 2-5 year period.

» All cruise could be transitioned out of the ferry basin within 5 years, through the use of Captain Cook as the dedicated maritime wharf. Subject to consent and master planning, Captain Cook can provide for cruise operations, including berthing medium size and boutique sized vessels and a lightweight flexible building.

» All cruise could also be transitioned onto Bledisloe as part of the Port's medium-term strategy. The current timeframe for this is 15 - 20 years.

- Queens Wharf is revitalised as space for people and to accommodate the growth in the ferry network, with electric charging facilities. The removal of the Cloud and a new life for Shed 10 with the exit of cruise, provides an opportunity for Queens Wharf to become a destination for cultural activities, events and commercial activations.
- Auckland Council will deliver on the masterplan vision for Captain Cook, Marsden, the Breastworks and Hobson Wharf.
- Shared space with public access at times can be provided to parts of Bledisloe Wharf, in stages, starting in 5 years.

» Initial limited public access at Quay St end, but to be expanded.

» Public access likely to be off-season, outside of main summer cruise season Oct – Apr.

» POAL willing to explore with Council / Eke Panuku how best to achieve this option and increase public access over time.

6. Reducing the Port's contribution to city centre congestion

This plan reduces the Port's contribution to city centre congestion and other negative externalities of truck movements (including carbon emissions and road deterioration):

A. Time of use charging for truck movements: POAL will continue "time of use" charging for truck movements; increasing the differential between charges paid by truck for peak and off-peak movements. This encourages more truck movements off-peak, reducing the Port's contribution to congestion. POAL will report on movement times in its next SCI.

B. Rail and coastal shipping infrastructure as alternatives to truck movements: POAL will work with the Unions and council on plans to continue to provide rail and coastal shipping infrastructure as alternatives to movement of freight by truck.

Work will continue on improving the competitiveness of these modes and increasing freight movements in these modes, including investigation of public subsidy where that is justified to avoid negative externalities.

This plan also supports the growth of ferries and eliminates the impact of cruise-related traffic on Princess and Queens wharves.

7. Boost to the Port's economic contribution to Auckland Council

The Port makes an important contribution to Auckland's economy and its shareholder will continue to support it in doing so. This plan contributed to this plan:

- **Certainty needed to invest:** The greater certainty provided by this plan will improve willingness to invest in improved facilities at POAL, its customers and other stakeholders.
- **Support for completion of existing infrastructure plans** – the completion of Bledisloe North and Ferguson, as set out in this plan, are supported as this infrastructure is consistent with the Port's social licence and council's ownership objectives, enables land release to the city, and can be funded by the Port to create an intergenerational legacy for Aucklanders.

The planned Bledisloe North Wharf also 'bookends' that wharf – providing clarity that previous plans for extension cannot be resuscitated.

The planned completion of Ferguson Wharf will make the Port capable of handling larger ships which could improve the efficiency and utilisation of the existing assets.

- **Boost to the cruise industry:** this plan provides for a boost to the contribution from cruise.
- **Supporting the Southern Cross freight hub:** The Mayor's vision is to position Auckland to serve as a vital air and freight hub between Asia and South America, facilitating e-commerce trade, tourism, and education and mediation services, and thereby providing an economic boost to Auckland and New Zealand. The plan will be underpinned by direct air links to South America and Asia, but supported by sea freight links, particularly for the e-commerce trade. The Port has agreed to participate in investigating this opportunity.

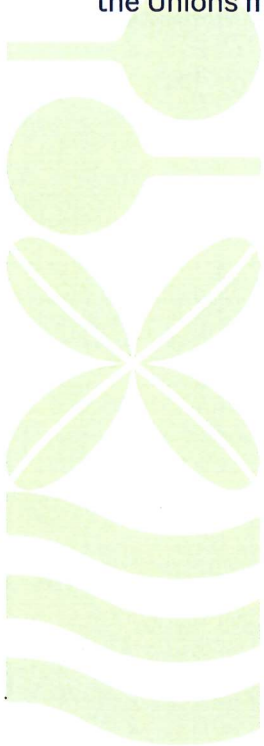
8. Reaffirmed commitments to meeting community expectations on the environment, health and safety, and other standards.

The need for the Port to operate in alignment with community expectations is affirmed, including adherent to operating, social, cultural, environmental and sustainability, health and safety and maintenance standards.

As acknowledged by the Hauraki Gulf Marine Park Act 2000, the Hauraki Gulf – which contains the Port of Auckland – has a quality and diversity of biology and landscape that makes it outstanding within New Zealand. The islands of the Gulf are valued as the habitats of plants and animals, once common, now rare, and are often the only places in the world where these species exist naturally. The Gulf is also economically important, as it is lived in and worked in, and is used for marine commerce, commercial fishing, and harbour and gulf transport.

The parties acknowledge the need for protection of the Hauraki Gulf and agree to continue to work together on initiatives for environmental protection. This will include improving environmental standards over time.

Health and Safety is a focus on the relationship, recognising the importance of health and safety at the Port both for employees and other Port users and the contribution that the Unions make to the safety of all at the Port.





Our plan to make the most of Auckland's port and waterfront

Correspondence for Wayne Brown, Mayor of Auckland

mayor.wayne.brown@aucklandcouncil.govt.nz

If you have any correspondence for the Mayor of Auckland,
we invite you to email.

Media queries for the Mayor of Auckland

mayorofaucklandmedia@aucklandcouncil.govt.nz