

30 August 2018

Elizabeth Coutts  
Chair  
**Ports of Auckland Limited**

**By email:** [liz@cme.net.nz](mailto:liz@cme.net.nz)

Dear Liz

**RE: Shareholder comments on Ports of Auckland Limited's draft Statement of Corporate Intent 2018 - 21**

The Finance and Performance Committee considered Ports of Auckland Limited's (POAL) draft Statement of Corporate Intent 2018 - 2021 (SCI) at its 21 August meeting.

The Committee resolved to provide feedback to POAL on its draft SCI. Staff from POAL should work with council staff to ensure that the final SCI demonstrates these comments.

I acknowledge that this is the first SCI process that council has undertaken as the sole shareholder of POAL. The feedback resolved reflects the new nature of the shareholder relationship, and should indicate components of council's strategic framework and legislative environment.

***Specific Shareholder feedback***

- Objectives:** The final SCI should clearly set out how POAL's objectives align with council's strategic priorities (e.g. Auckland Plan 2050, Waterfront Plan, City Centre Masterplan, Regional Land Transport Plan, Central Wharves Strategy), and should also show how POAL's objectives are connected to its own strategic framework (e.g. Port Masterplan, section 5 Port Companies Act 1988).
- Cooperation with the council group:** The final SCI should more clearly articulate POAL's intent to cooperate with the council group with specific reference to key council-controlled organisations (e.g. Auckland Transport and Panuku Development Auckland Ltd), and workstreams (e.g. the Port Future Study).
- Mana whenua engagement:** The final SCI should underpin POAL's intention to strengthen relationships with mana whenua with an appropriate Key Performance Target (KPT) that addresses mana whenua engagement independently of other community engagement. The benchmark for this KPT can be measured over the next financial year, and if necessary the KPTs on iwi and community engagement may be reassessed to ensure that they are measurable. I am aware that POAL is working collaboratively with Te Waka Anga Mua ki Uta at council on mana whenua engagement and Māori responsiveness and I commend this.
- Central government:** The final SCI should include POAL's relationship with central government as a key relationship, particularly given that central government has signalled work on the Upper North Island Supply Chain Strategy. POAL is expected to engage effectively with council as its shareholder on its collaboration and work with central government.

5. **Sustainability:** I am aware that POAL aspires to lead sustainability initiatives in the international port sector and note that sustainability is a key priority for council. The final SCI should allow POAL to demonstrate sustainable outcomes by developing one or more KPTs to measure these outcomes. If necessary, the measures for these KPTs can be benchmarked over the next financial year.

**Other Shareholder Feedback**

In addition to the specific feedback noted above, POAL's KPTs project a lower net profit after tax for the 2018 – 21 period, compared to what was set out in last year's SCI for the 2017 – 20 period. While the final SCI should not provide specific detail about these projections, the final SCI should provide a clearer explanation for the shift in projections, as appropriate. It is important that council can rely on projections to inform long term planning.

I am pleased to have the opportunity to develop an effective and collaborative relationship with POAL going forward. I look forward to receiving the final SCI by 30 September 2018.

Kind regards



Phil Goff  
**MAYOR OF AUCKLAND**

Copy to:	Deputy Mayor Bill Cashmore	
	Councillor Ross Clow	Chair, Finance and Performance Committee
	Councillor Penny Hulse	Chair, Environment and Community Committee
	Councillor Chris Darby	Chair, Planning Committee
	Stephen Town	Chief Executive, Auckland Council
	Tony Gibson	Chief Executive, Ports of Auckland Limited