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Attention National Security Group

Tēnā koe

Critical Infrastructure Consultation - Port of Tauranga

1. Port of Tauranga Limited (**POTL**) welcomes the opportunity to provide a submission on Critical Infrastructure. As stated at the beginning of the consultation document circulated, critical infrastructure underpins almost all of Aotearoa New Zealand's economic activity and is essential to New Zealanders' health and wellbeing. The Port of Tauranga is an important part of this infrastructure, as discussed below.
2. POTL is a port company that operates Port of Tauranga, New Zealand's largest and most efficient port. Port of Tauranga is an international freight gateway and the only port in New Zealand that can accommodate the largest container vessels. It is both nationally and regionally significant infrastructure, being critical to New Zealand's imports and exports and the domestic movement of goods, as well as supporting the cruise ship industry.
3. The goods imported and exported through the Port of Tauranga support other important industries, including primary production, urban development, and transport. The Port is the main New Zealand export port for dairy products, logs and kiwifruit, and imports a range of goods required for New Zealand industries – including petroleum, fertiliser, bulk liquids and stock feed.
4. Port of Tauranga handles more than 25 million tonnes of cargo per annum. It provides importers and exporters in New Zealand with the most efficient and lowest carbon route to and from international markets, handling 32% of all New Zealand cargo, 36% of all New Zealand exports, and 42% of all shipping containers. Port of Tauranga's facilities include New Zealand's largest container terminal, extensive bulk cargo wharves and storage facilities.

Port Resilience

5. When POTL considers the resilience of the Port of Tauranga, it considers its ability to maintain an acceptable level of service in the face of disruptions such as natural disasters, pandemics, national security threats or technological developments. Port resilience is largely reliant on the physical structures, land-based properties and machinery (such as cranes) which it uses to operate. In particular, damage to or capacity issues with the Port's physical infrastructure represent the most significant and long-term threat to resilience, particularly given that such impacts are often for long durations, and are not simple to remedy.



6. Increasing capacity and improving its existing infrastructure is therefore POTL's key focus in terms of improving its resilience, in order to ensure that it is able to handle an increase in demand in the face of a local natural disaster, pandemic or other large-scale event, and that its existing infrastructure is fit for purpose. POTL's current development programme supports this and is discussed further below.

Recent Challenges Faced

7. The Covid-19 pandemic illustrated the types of disruptions to Port operations that are possible. Widespread disruption to the international supply chain occurred, and that disruption is still continuing and resulting in ongoing congestion due to erratic cargo volumes. Adding to this disruption is delays at other ports.
8. Cargo volumes are expected to grow over the long-term. POTL considers that with targeted and timely investment in key infrastructure developments, the New Zealand supply chain can serve the country's growing needs for at least the next three decades without the need for a new "greenfield" port.
9. POTL has been pursuing developments to increase its capacity and improve the resilience of the Upper North Island supply chain, including by extending the wharves at Sulphur Point and Mount Maunganui and associated dredging. This project will maximise the efficient use of the existing infrastructure and footprint of Port of Tauranga and is needed to accommodate the trend to larger vessel sizes along with catering for projected increases in import and export volume.
10. Without this project, Port of Tauranga will face capacity constraints within a few years, a fact that is concerning the leaders of some of New Zealand's biggest-earning export industries such as Zespri, Kotahi, Oji Fibre Solutions and the New Zealand Cargo Owners Council.

The difficulties of consenting

11. Despite the national significance of New Zealand's ports, the current resource management system makes obtaining resource consent for both new and existing port infrastructure inefficient and unreliable.
12. Ports have functional and operational requirements that limit where they can be located. For a seaport such as the Port of Tauranga, these requirements include access to the coastal marine area along with connectivity to the inland freight network. Investment in infrastructure of this scale also requires long-term planning that coordinates the transport network, and which can be difficult when the local planning context is constantly changing and there is a lack of high-level spatial planning.
13. A key issue that POTL faces in the current system is that local consenting processes cannot keep up with demand for new infrastructure. A clear and ongoing example of this is POTL's current consent application for its wharf extension and associated dredging. POTL lodged its consent application in May 2021, which was directly referred to the Environment Court. Following a postponement in July 2022, the hearing concluded in March 2023 but a decision from the Court is still awaited. This delay is significant and has occurred despite the works being provided for in an outline development plan contained in the Bay of Plenty Regional Coastal Environment Plan. This illustrates the

difficulties with consenting new critical infrastructure, even where it is anticipated and signalled by the planning framework.

14. The RMA reforms process has presented an opportunity to fix these issues and to that end POTL sought, through the select committee submission process, clear directives for enabling port infrastructure at a legislative and national planning level, along with long-term spatial planning that implements these directives and faster consenting processes. Unfortunately, the proposed Bills do not meet expectations and instead disincentivise investment into new port infrastructure by placing significant uncertainty on the ability to deliver large projects. POTL's view is that it is a real possibility that the consenting framework for infrastructure will be worse under the new regime.

Changes Required

15. POTL understands that this consultation has a wide focus, and the work being undertaken is at an initial scoping stage to understand the key influences on infrastructure resilience, and options to address and improve the resilience of New Zealand's critical infrastructure. Resilience is a high priority for POTL, and it sees new infrastructure as a critical part of that resilience.
16. POTL seeks in this feedback to focus on what it considers to be the single biggest threat to infrastructure, given the environment the Port operates in and for the reasons discussed above.
17. In POTL's view, there is a need for two key improvements to the current system:
 - (a) Provisions in legislation, national direction, regional plans and district plans which prioritise and enable maintenance and development of critical infrastructure, recognising that this infrastructure is essential to the health and wellbeing of New Zealanders;
 - (b) A consenting process which enables rapid and streamlined consenting of developments;
 - (c) Expanded emergency powers (compared to the powers contained in the RMA and proposed Natural and Built Environments Bill) for ports and other lifeline utilities that would enable delivery of critical infrastructure in the face of natural disasters and other resilience threats.
18. A separate consenting process is identified in the Natural and Built Environments Bill, which is the fast-track consenting provisions. However, further improvements could be made, including by setting out a list of projects that are entitled to make use of the fast-track process.
19. POTL would alternatively support a rapid consenting framework for critical infrastructure that was contained in separate legislation, which could tie in with the other reforms that may result from this workstream.
20. POTL acknowledges that the issues consulted on through this workstream are broad but wishes to emphasise that without a workable consenting framework for infrastructure, it will be very difficult to ensure New Zealand has a resilient critical infrastructure system in the future.

21. POTL would welcome the opportunity to discuss these matters further. Please do not hesitate to get in touch.

A handwritten signature in blue ink, appearing to read 'DK', with a stylized flourish extending to the right.

Dan Kneebone
GM Property & Infrastructure