

Report 12.28
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Committee Council
Author Bruce Simpson, Chief Financial Officer

Submission on Report on International Freight Transport Services January 2012

1. Purpose

The purpose of this report is to seek Council approval to make the attached submission to the Productivity Commission in relation to the International Freight Transport Services Report (refer **Attachment 1**).

2. The decision-making process and significance

No decision of significance is being sought in this report.

3. Background

The Productivity Commission commenced work on this report in 2011. In September it sought input from various sectors, (Local Government, Port Companies, large customers and so on), into the key issues that should be examined in the report. At that time CentrePort contributed a submission. Greater Wellington saw no benefit from submitting at that point. Subsequently the Commission released its draft report on 12 January and require input by 17 February.

4. Comment

The report is wide ranging in the issues it covers. Greater Wellington's submission has focussed on issues raised regarding the performance of ports. In essence, the report concludes that the overall performance of the port sector is below par and that returns on capital invested and productivity are not at acceptable levels.

The report then makes significant jumps in logic in suggesting reasons for this and proposing solutions. The submission covers the main areas canvassed in the report. Essentially, the report suggestions are around reduced council involvement in governance and more privatisation of ports. The position as proposed in the submission disagrees with some of the conclusions drawn and

indicates that Greater Wellington sees no immediate need for significant governances or ownership changes in relation to CentrePort.

5. Communication

The report is likely to receive some media attention especially in light of the Government's plans in relation to state owned assets. The prime internal contact for media enquires will be the Chief Financial Officer.

6. Recommendations

That the Council:

- 1. **Receives** the report.*
- 2. **Notes** the content of the report.*
- 3. **Approves** the Submission to New Zealand Productivity Commission on the report on International Freight Transport Services January 2012 (**Attachment 1**).*

Report approved by:

Bruce Simpson
Chief Financial Officer

Attachment 1: Submission on New Zealand Productivity Commission Report on International Freight Transport Services January 2012