

16 March 2021

Mayor Phil Goff
Auckland Council
135 Albert Street
Auckland

Vide email: Phil.Goff@aucklandcouncil.govt.nz

Dear Mayor Goff

Thank you for raising your concerns with the Board. We will try to improve our communication in future but in the meantime will address the issues you raised in order.

1. The CHASNZ report is an important document (the summary is 22 pages; the detailed report is 52 pages) which will guide our future safety direction and is receiving POAL's full attention and focus.

Detailed feedback on the Summary Report was provided to CHASNZ last Thursday. They are reviewing this and have requested a meeting this Friday to discuss. This is entirely appropriate in the circumstances.

I would like to reassure you that the Board and executive team fully support this safety review. Management have advised me that they support the recommendations in the report, some of which they have already implemented and still more are being worked on. I'm advised many of the recommendations in the draft CHASNZ report are in line with the actions already being taken across the business.

2. I have arranged to meet with the Chair of the Committee on the morning of the 22nd to get to know and understand the committees needs and to work out the best ways to meet these. Unfortunately, I'm unavailable on 23rd.
3. As advised previously the board always requires a post implementation review of major capex proposals and POAL has already engaged its internal auditors KPMG to undertake this review.
4. We take very seriously our obligations around improving Māori outcomes. It is not up to POAL to prescribe this but rather consult with Tangata Whenua and find a way to make progress together. I can personally assure you that our approach to the development and delivery of a Maori Outcomes Plan will not be cursory but it will be inclusive. We will be reporting back quarterly on progress.
5. I understand this issue was raised again at the last CCO Oversight Committee, where management reconfirmed it is not appropriate that POAL provide such information. Council staff raised the fact that there is a mechanism within the Council/POAL MoU to

handle such disputes. We expected Council management to follow up on this, to date we have not been approached.

6. We have processes for formal information sharing articulated in the Council/POAL MoU. I have also advised you of my willingness to talk to you any time informally and that our CEO will keep in touch with the Council CEO also. This is the appropriate and agreed process which protects both Councillors and council staff, as well as POAL's governance obligations under the Port Companies Act and Companies Act.

POAL's current priorities are:

- accelerate Health and Safety improvements (with the help of CHASNZ report)
- improve port throughput (this was largely a resource issue as previously explained)
- complete full automation rollout (delayed because of COVID and subsequent congestion) and
- optimise the supply chain (within the wider Auckland area)

We are in a period of extraordinary disruption driven by a global pandemic. However, we are making good progress across all 4 priorities despite COVID and a shattered global supply chain.

To summarise progress in these 4 strategic areas:

- The CHASNZ report should be finalised and available to our Board in the next couple of weeks and we are encouraging management to progress recommendations in the meantime.
- The recruitment drive has been successful and the people required will be on board as soon as process permits (immigration protocols, induction & training)
- Automation is working. Tarmac remediation is now planned for April and resources (particularly crane drivers) should all be in place for full rollout in July.
- Work is being done across the wider Auckland supply chain to improve logistics both up and down the supply chain.

We are confident that once through this challenging period the business will be back on track, safety will be improved and financial returns will grow again.

As always, I look forward to working with you on any of these or other matters.

Sincerely,



Bill Osborne
Chair