

Submission on draft Long Term Christchurch Council Community Plan 2009-19

Re: New Lyttelton Port Access Road

Submitter: Lyttelton Port Company Limited (LPC)

This submission concerns the draft Long Term Council Community Plan 2009-2019 (LTCCP). We refer to inclusion in the proposed capital programme funding for construction of a new Lyttelton port access road; it states that funding of \$9.115m is allocated over the period 2012-2016 for this project (pages 260-61).

Introduction to LPC

1. LPC was formed in 1988 to manage the Port of Lyttelton (Port). Section 5 of the Port Companies Act states that the principal objective of every port company shall be to operate as a successful business. LPC is listed on the NZ Stock Exchange and is subject to its continuous disclosure regime. The Christchurch City Council (Council) through its trading arm, Christchurch City Holdings Limited, has a majority shareholding.
2. LPC provides international shipping services to more than thirty countries, services a large part of the South Island, and has well established coastal links with other New Zealand ports. The port is characterised by challenges associated with a shortage of operational land amidst growing annual cargo volumes, with encouraging prospects for future growth.
3. The primary road access point for port traffic is via Norwich Quay (State Highway 74), and is considered to possess ample surplus capacity for future traffic growth. We understand the roadway is currently at less than 30% of its capacity.
4. Rail is used to move containers into and out of the port; LPC has implemented initiatives designed to switch increasing container volumes between the Port and City Depot site from road to rail. Currently about 70% of the empty container movements between these sites are by rail, representing approximately 35,000 TEU (twenty foot equivalent containers) per year. This compares to the total current container throughput at the Lyttelton Container Terminal of 240,00 TEU.
5. LPC reiterates its opposition to the proposal for a new port access road to replace the existing Norwich Quay; LPC has consistently opposed proposals at LTCCP and Annual Plan hearings before CCC and the former BPDC (Banks Peninsula District Council) prior to the take-over.

Background LPC and Proposed New Access Road

6. The BPDC raised the issue of new access roading to Lyttelton Port in 2001, and in 2002 commissioned a report from Opus International Consultants. A review of the Opus report was carried out for LPC by the Traffic Design Group in 2003.
7. BPDC allocated funding to further investigate new access roading to the port in its draft Annual Plan for 2005/06. This was opposed by LPC through the submissions and hearing process. BPDC confirmed its intention to investigate further and engaged MWH NZ to carry this out.

8. BPDC in 2005 entered into a Memorandum of Understanding with CCC for the proposed take-over the Banks Peninsula District. Part of this agreement was funding for new port access roading to be included in the proposed capital programme of the LTCCP for Christchurch City. BPDC included the port access roading in the MOU without the knowledge of LPC.
9. After finding out about the MOU provision, in 2006 LPC checked the draft LTCCP 2006-16 and noted that there was no provision for the new port access roading.
10. However this changed when provision for the new port access road was discovered in the final LTCCP 2006-16. We later discovered this change was based on a submission of which we were not made aware. At p.18 of the LTCCP 2006-16, there is a reference to the Council having given the "green light" to the listed projects including the alternative access road to the Port.
11. The LTCCP 2006-16 stated at p.83:

" Lyttelton Port alternative access \$9.6 million has been allocated over the period 2007-2012 to build a new access road to the proposed marina and for the construction of a new road way for heavy traffic to access the Port container area."*
12. LPC acknowledges the Council's consideration of this issue following subsequent discussions between CCC and LPC which resulted in no funding allocations for this proposed project in the 2007/08 and 2008/09 Annual Plans.
13. LPC also appeared at the Annual Plan hearings in 2007 and 2008 requesting deletion of all references to the new port access road project and its funding in its 3-yearly review of the LTCCP scheduled for 2009.

LPC Viewpoint

14. LPC opposes the proposed new Lyttelton port access road based on the following:
 - A new road is not wanted by the port, and would adversely impact on current and future port operations and capabilities
 - The absence of any obvious or compelling justification for the significant proposed expenditure of \$9.115m; our advice is that alleged safety issues could not support a business case
 - The associated risk of reverse sensitivities to the port associated with consequential developments of Norwich Quay
 15. LPC also holds concerns relating to:
 - The process by which this proposal was incorporated into the final LTCCP 2006 – 16
 - The absence of how this estimate was determined; LPC's view is that the actual cost would be significantly greater for the raised structure required, thus exacerbating the lack of justification
 - Priority proposed for the new port access road in the context of significant funding pressures for projects in Christchurch, and noting that Christchurch ratepayers are being called on in many ways to upgrade services throughout Banks Peninsula to the standards enjoyed within the City
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- The need for improved relationships between CCC and LPC, to ensure Council are informed and understand the port dynamics, risks, threats and opportunities

Summary and Action Sought

16. The proposed new Lyttelton port access road is a costly, unnecessary project lacking justification which will cut through valuable operational port and rail land posing a significant detrimental impact on current and future port capabilities, in addition to creating the potential for future reverse sensitivity risks with associated development along Norwich Quay.
17. LPC requests that the Council delete all references to a new Lyttelton Port access road project and its funding from the draft LTCCP 2009-19.
18. LPC requests to be heard in support of its submission

LYTTELTON PORT COMPANY
LIMITED :

Attention: [Peter Davie]



Date

Address for service of submitter:

Lyttelton Port Company
Private Bag 501
Lyttelton 8082
Ph: (03) 328 8198
Fax: (03) 328 7828

Attention: Jocelyn Patel
Email: Jocelyn.Patel@lpc.co.nz
