

Auckland Council chief executive Doug McKay:

“The challenges we are confronting on the port at the moment are long standing challenges of many years in the making.

“When the new Auckland Council was formed the port was earning about a 6% return on its investment and the council decided, the political wing of the council decided that the port needed to earn better than that.

“It was in a privileged monopoly position and we looked around the world and gave advice back to council that this asset should be earning between 10% and 12% return on investment at the very least.

“So it's running at about half what any reasonable benchmark would be.

“So that goal has been given to the port company to achieve over the next three to five years.

“So they are now looking across all of their areas of operation, all of their cost base, all of their efficiency numbers and targets, and benchmarking them. And we, like you, are disappointed that the conversation between the employees and management of the company has broken down at this point.

“But I keep reminding Len, and I have been in a commercial environment in this sort of situation a few times over the years, that you have to break a few eggs to make an omelette, and the people have to feel like they can almost go to the brink and look over it before they come back.

“So we'll see.

“We have got good lines in to both sides and we are talking to both sides where we can help and facilitate.

“But I admire Len very much here. You all know that he's under a lot of pressure from different parts of the community, but he feels that the company and the employees should sort this out among themselves, and I personally agree with him.

“I don't think any sort of political interference is going to progress this conversation very far and it's better that we look for a negotiated outcome that both parties are happy with. And we remain confident that that's still a prospect.”

Mayor Len Brown:

“Ok, so from my view, it starts with the ports themselves.

“I was very clear during the campaign and I maintain a very, very, solid commitment that we own the ports 100% and I want to keep them in public ownership.

“It is very much the family silver, 37% of the nation's trade goes through there, and yep, it's not performing as well as I want it to perform. But for me, that's the price.

“On the basis we hold on to the port, we have got to get a good commercial return and are going to reinvest some of that return back into port development. Maybe not to the extent you saw on the front page of The Herald, but certainly we want to develop the port and make it a great commercial port.

“The issue is, there is a huge temptation for me to throw myself into the middle of this, and I could.

“As the mayor of this city I've got a mandate and we certainly have the power because the company is 100% owned by our council on behalf of you all, and so I could get in amongst that.

“But we've got a CEO, two of them plus two boards, who are very well paid to sort this stuff out and maintain long term work relationships and sort out long term worker relationships.

“The real challenge if I step into this, we have six other companies that we own that manage Auckland assets, like Watercare and Auckland Transport.

``Every time they have a problem, do I step myself into that? They are going to come knocking at my door every second day and you are one step away from a dictatorship rather than a proper, fair, commercial, corporate operation that operates with some professionalism.

``So the temptation, as Doug said, is high.

``I know it's taking a while to sort. But what I want to see is an agreement come out after they have done their brinkmanship, that is sustainable and sets this port up for the next 50 to 100 years."