

Submission to the Transport and Infrastructure Committee on the:

Local Government (Port Companies Accountability) Bill

Submitted by the New Zealand Council of Trade Unions Te Kauae Kaimahi

2 July 2026

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This submission is made on behalf of the 32 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (NZCTU). With over 370,000 union members, the NZCTU is one of the largest democratic organisations in New Zealand.

The NZCTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga), the Māori arm of Te Kauae Kaimahi (NZCTU), which represents approximately 60,000 Māori workers.

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Introduction

1. The NZCTU welcomes the opportunity to submit on the Local Government (Port Companies Accountability) Bill.
2. Port company corporatisation is a relic of the neo-liberal reforms of the 1980s, where commercial interests were heavily favoured over ensuring that publicly owned and/or operated assets are managed in the interests of the communities they serve. Where profit margins are the sole concern, service quality and job quality are often diminished, costs increase for users, and communities are left to subsidise the losses.
3. This Bill puts forward a simple but important change that will bring port companies into the same operating environment as other council-controlled organisations, ensuring that critical national supply chain infrastructure is operated in an accountable and transparent way. It also seeks to ensure these entities act as a good employer for the benefit of the communities that fund them.
4. The CTU therefore supports this Bill.
5. The CTU also supports the submissions made by our affiliated trade unions who bring sector-specific knowledge of the key issues facing port workers, and the importance of the changes this Bill seeks to introduce.

Transparency and Accountability of Public Infrastructure

6. New Zealand’s ports are critical for our supply chains, with 99% of the country’s international trade by volume moving through the ports. At a local level, ports operate billions of dollars of physical infrastructure, and significant public expenditure has been made to develop and maintain these built environments. Decisions about port operations can and do have significant impacts at both a national and local level.

7. This Bill brings the port companies into line with other council-controlled entity accountability processes by meeting the requirements of the Local Government Official Information and Meetings Act 1987 (LGOIMA).
8. These are simple reporting and accountability requirements that support transparent decision-making. Accountability is critical given that port companies own and manage critical physical infrastructure such as wharves, service critical shipping lines, and can influence important policy areas such as supply chain resilience and use of land and resource management.
9. Such decisions have significant regional, economic, environmental, and social impacts. Communities affected by those decisions should have meaningful access to information about how those decisions are made.
10. Any concerns that port companies' commercial functions would be compromised by the requirements of LGOIMA fail to recognise that the legislation already contains robust withholding grounds for these situations. Grounds for withholding information under LGOIMA include commercial information whose disclosure would unreasonably prejudice a company's commercial position, and to maintain legal privilege.
11. Any minor costs associated with meeting the requirements of LGOIMA are outweighed by the important oversight and accountability functions that this legislation provides.

Promotion of Good Employment

12. Work on the ports occurs in an operationally complex environment. Characterised by shiftwork and night shift operation, time pressures, heavy physical labour, and complex machinery, port work also faces significant commercial pressures as part of the operating environment.
13. This dynamic is also reflected in the risk profile of working on the ports, where serious occupational health and safety risks exist such as fatigue, moving plant, vehicles, and rail, and working at heights (among other risks). These risks all have potentially fatal consequences if not properly mitigated.
14. Port companies also sit at the hub of a complex maritime supply chain. Important labour issues, such as migrant exploitation, contractor arrangements, and occupational health and safety are influenced by the governance practices of the port companies.
15. The consequences for poor employment practices at the ports are well known. The issues at Port of Auckland made headlines over recent years. Self-labelled as a legacy of failure, it included the failed rollout of port automation, ongoing relational issues between management and the maritime unions, and with the Auckland Council, and also resulted in the conviction of CEO Tony Gibson for failing to exercise due diligence to ensure the port was meeting its health and safety obligations.
16. There has been, however, a significant culture change at the Port of Auckland, underpinned by collaborative engagement between the port company and the Maritime Union. This has

resulted in significantly increased profitability, increased productivity, and dramatically increased employee engagement.¹

17. Regulatory settings should support, enable, and embed these kinds of industrial relations, which benefit the ports, the workforce, and the community.
18. Under the Local Government Act 2002, council-controlled organisations are required to be good employer. This Bill seeks to bring port companies into this framework. The NZCTU suggests that this is a simple and light-touch way of supporting ports to be productive, engaged, and safe workplaces.

Social and Environmental Considerations

19. New Zealand ports are located in coastal marine areas which are culturally significant and sensitive natural environments. It is therefore important for ports to demonstrate social and environmental responsibility by having regard to the interests of the community in which they operate.
20. While ports provide substantial benefits to the community, their activity also has significant associated costs on the surrounding area. Ports, by their industrial nature, are sources of air and noise pollution from ship engines and machinery, as well as hazardous waste. Activity on the coastline also has impacts on the marine environment and biodiversity. And ports also operate near recreational marine users.
21. Regulatory settings need to support New Zealand ports to work together with their local communities, including iwi and hapū, to mitigate their impacts on the environment and improve their social licence to operate. This Bill helps ensure that necessary accountability and cooperation without impacting the strategic importance of port activity.

Conclusion

22. The NZCTU thanks the Transport and Infrastructure Committee for the opportunity to comment on the Local Government (Port Companies Accountability) Bill.
23. From the NZCTU's perspective, the light-touch regulation of port companies provides aligns them with other council-controlled operations and ensures a balanced approach to supporting transparency and accountability of these important assets and supporting the ports to be good employers for the benefit of local communities.

For further information:

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¹ University of Auckland: From turmoil to triumph: how HPHE turned Port of Auckland around
<https://www.auckland.ac.nz/en/business/our-research/research-institutes-centres/centre-supply-chain-management/past-events/supply-chain-link/june-2025-new/how-hphe-turned-port-auckland-around.html>