

BEFORE THE INDEPENDENT HEARING COMMISSIONERS

IN THE MATTER: of the Resource Management Act
1991 (“the Act”)

AND

IN THE MATTER OF: Application for resource consent
by Panuku Development
Auckland Ltd. to construct two
mooring dolphins from the end of
Queens Wharf.

**STATEMENT BY VIV BECK ON BEHALF OF HEART OF THE CITY
INCORPORATED
25 February 2019**

INTRODUCTION

- 1.1 My name is Viv Beck. I am the Chief Executive of Heart of the City Inc. (HOTC).
- 1.2 I have with me Tania Loveridge (Advocacy and Engagement Manager at HOTC) and Kelvin Norgrove (consultant Planner/Economist) who have worked with me on our submission.
- 1.3 Heart of the City is the business association for the city centre, which includes more than 4000 commercially rated properties and 12,000+ businesses. We are committed to the development and success of the city centre as a thriving place to do business, and as an accessible, safe and welcoming urban community.
- 1.4 It was necessary for us to make a submission on the Queens Wharf Dolphin project to highlight our serious concerns with its potentially significant adverse effects on public access and enjoyment of the wharf, particularly the impacts on the quality of views and experience of the water's edge at the northern end of the wharf, and the likelihood of cruise ships occupying the wharf most days of the main summer period (i.e. taking account of growth in visits by extra-large ships as well as baseline visits by smaller ships).
- 1.5 As stated in our submission HOTC supports in principle the Waterfront Plan (2012) and Central Wharves Strategy Refresh (2017), as they provide an integrated and coherent approach to how the Auckland waterfront is intended to be developed to accommodate a variety of activities and types of development over the next 20-30 years. In particular, the intent that Queens Wharf be a dedicated 'peoples wharf' as an open public gathering place with venues for events/functions, and that Captain Cook Wharf be the location for cruise ship facilities.
- 1.6 HOTC appreciates that the cruise sector generates economic benefits for the region. However in our view the presence of the proposed Dolphin at Queens Wharf and its use by extra-large cruise ships will take away significant value from a core 'public realm' space located in the heart of the city, close to transport hubs and Queen Street, which connects the waterfront and city centre. This value is currently able to be enjoyed by more than 120,000 workers, 57,000 residents and 60,000 students in the city centre, as well as thousands more domestic and international visitors. Many of these people make multiple visits to the waterfront annually. HOTC is seeking for the potential impact of the Dolphin on public amenity and recreation values to be fully considered through this hearing.
- 1.7 We consider that the council planner's s42A report provides an adequate assessment of the environmental effects and planning context of the proposed Dolphin, concluding as it does that consent should be declined.

2. OUR SUBMISSION

- 2.1 I trust you have read our original submission. HOTC regards the proposed Dolphin as an expedient option that reflects short-term thinking. It would essentially be an ad hoc addition to Queens Wharf, and at the same time, if consent is granted, it will act as a disincentive to progress the Captain Cook Wharf option or any alternative solution.

- 2.3 Our submission presented analysis of the specific implications of the Dolphin on public amenity and access, including quantitative information on the projected total number of cruise ship visits over the next 10 years, and the implications for reduced public access, use and enjoyment of the wharf particularly over the core summer months of December to January. I note that this information has not been disputed in the evidence from the applicant; nor in my view has that evidence engaged fully and directly on this point.
- 2.4 Having reviewed relevant statements of evidence from both the applicant and other submitters, in regard to economic, visual, recreation and public open space matters, our view has not changed that the potential adverse effects are significant (and certainly 'more than minor' in RMA terms).
- 2.5 I concur with the council's s42A report which concluded that the adverse environmental effects cannot be adequately mitigated in the ways Panuku has proposed (e.g. through partial access to the Dolphin when not in use), and the 'costs' of such effects are not outweighed by the estimated economic benefits (noting that the evidence before you presents contrary views on both sides of this equation i.e. the magnitude of adverse amenity effects as well as the net economic benefits).

3. EVIDENCE ON BEHALF OF THE APPLICANT

- 3.1 I wish to draw your attention to a selected number of points made in the applicant's evidence, which refer to our submission or otherwise make statements pertaining to the city centre that I consider merit a response so that the Commissioners have the benefit of factual information from HOTC and do not unduly give weight to those statements.
- 3.2 I only comment on these points where I am qualified as chief executive of an organisation focused on the development of a vibrant, accessible and successful city centre, to provide a perspective informed by our involvement in place-making, planning, resource consent processes, research, marketing and advocacy for the city-centre. Where appropriate I also refer to statements from our original submission as well as other evidence presented on behalf of submitters.

STATEMENT OF EVIDENCE OF JOHN MICHAEL SMITH¹.

- 3.3 Refer to the following paragraph (which I will take as read):

3.5 Cruise ship visit projections developed for ATEED with the cruise industry suggest that with infrastructure to cater for all sizes of cruise ships, ship visits are likely to increase from 110 in 2017 / 2018 to between 229 and 241 in 2030 / 2031 with passenger numbers growing from 223,000 to between 700,000 and 825,000. The projections indicate that without adequate infrastructure growth of cruise ship visits would be restricted 0.9% per annum compared to 4.2% historically, with passenger growth of 2% compared to 15% historically.

¹ On behalf of Panuku Development Auckland Limited and Auckland Tourism Events and Economic Development Limited - CRUISE CONTEXT.

Comment:

- 3.4 Our submission, based on data available from Ports of Auckland and the application material as at October 2018, did not make any allowance for growth in baseline visits by 'non- extra-large' cruise ships over the 10-year period. The total volume of cruise ship visits at Queens Wharf was projected to increase from 130 to 146-158 days of the year (based on the Conservative and High Future scenarios in the applicant's initial Economic Assessment report).
- 3.5 That estimate is a lot less than the total volume of 229-241 visits in para 3.5 above. Given around 70% of cruise ship visits are currently accommodated at Queens Wharf, those 'new' numbers would imply the likelihood of 160-169 visits at Queens Wharf in 2030/31, equivalent to almost half (44-46%) of a full calendar year. Given the cruise ship season is typically concentrated in the three month summer period of December to February (total 90 days), a much higher rate of occupation would likely occur over those months. For example, a cruise ship could be berthed at Queens Wharf for most hours of every day over summer, if 90 out of the total 160-169 visits occur then. That would imply no ability to open up public access to the eastern edge of the wharf or Shed 10 during summer months. That situation could also be triggered well before 2030, implying that public visitors to Queens Wharf only get to enjoy unencumbered access to the eastern side of the wharf during 'non-cruise-season' months and even then, they will still be confronted with the Dolphin at the northern end.
- 3.6 Our submission identified that the public space and the viewpoint from the end of Queens Wharf will become the primary location for public recreation value, given that the western side will be obstructed by the planned ferry terminal works, and the eastern side is already frequently obstructed by berthed cruise ships, and could be even more so by extra-large cruise ships. The reduction in public access and the amenity value of Queens Wharf will arise as a result of the Dolphin structure itself (i.e. *in situ*) and also when an extra-large cruise ship is moored to it. Only the latter effect is a function of the frequency of moored ships, and the applicant's evidence gives reason to expect that access to the eastern side and the Dolphin itself will be denied completely over the summer period.
- 3.7 Refer paragraphs (which I will take as read):
- 3.8 Cruise supports Auckland's regional economies by directly transporting over two hundred thousand passengers to the heart of our city. Around a third of these passengers will travel on tours to other parts of the region, while many more passengers are a lifeline to waterfront and city centre retailers and businesses, particularly over the summer season.*
- 3.11 Economic benefits aside, the presence of cruise in Auckland brings a vitality and exuberance to the waterfront and city centre. Visiting passengers interact with the Auckland streetscape, and contribute to an energized, dynamic and international ambiance in the city centre.*

Comment:

- 3.8 To put the contribution of cruise ship visitor spend to retailers in the city centre in perspective, I wish to refer to Marketview data on retail expenditure² and also

² Note the data is based on electronic card transactions, so excludes cash transactions.

pedestrian counts in the downtown area (both of which HOTC monitors on a regular basis).

- 3.9 Over Dec. 2017 to Feb. 2018, the total spend in the city centre was recorded at \$448.62million. International visitor transactions accounted for \$119.32 million or 26.6%. In the year to October 2018, international visitor arrivals to Auckland totalled 2.72 million³ (up 3.0 % on the previous year), exceeding Auckland’s resident population by a large margin. International visitors clearly account for a significant share of retail expenditure in the city centre, especially over the summer holiday period, but the amount attributable to cruise passengers or crew is likely to be a relatively minor proportion. Relying on Mr. Smith’s reference above to 223,000 cruise passengers in 2017/18, they account for less than one-tenth (8.2%) of total international visitor arrivals in Auckland. I suggest they do not constitute a summer season lifeline.
- 3.10 This is also borne out by pedestrian counts. Looking at the counts for downtown locations in the table below, there is little difference in the average daily counts between cruise ship and non-cruise ship days.

Table 1: Daily Average Foot Traffic Counts Dec 2017 to February 2018*

Location	Cruise days (50)	Non-cruise days (40)
107 Quay Street (Outside Ferry Terminal)	17823	16999
45 Queen Street (Cnr Customs and Queen Street, West Side)	27052	26770
30 Queen Street (Cnr Customs and Queen Street, East Side)	15799	16363

*Heart of the City Pedestrian Counts

Notes: Takes into account ships in port for two days duration; Cruise day figures includes NYE, which is the highest foot traffic day across this whole period, and covers all Auckland berth locations.

- 3.11 This picture is consistent with a report prepared for the Quay Street Seawall Upgrade (Queens Wharf to Marsden Wharf) consent application⁴. That report states that pedestrian volumes are significantly higher during summer months, indicating a seasonal effect from tourist visitors to Auckland and notes that whilst an average 2,000 passengers per cruise ship arrive at the downtown wharves, pedestrian volumes in the immediate vicinity of the ferry terminal/Quay St. did not increase significantly in February 2018. It concludes that cruise passengers disembark to visit Auckland or take guided tours rather than spending time directly in the area.
- 3.12 I also note that several submitters in support of the application are tour related businesses reliant on taking or drawing cruise ship passengers away from the

³ Auckland Destination Overview, August 2018, Auckland Tourism Events and Economic Development (ATEED)

⁴Prepared by Flow Transportation for Auckland Transport, May 2018, Integrated Transport Assessment. Refer p18.

city centre⁵. They will understandably not be focused on the negative effects of the Dolphin on public use of Queens Wharf.

3.13 Refer paragraphs (which I will take as read):

Queens Wharf fence

9.10 The section 42 report also observes that although outside the scope of proposed works for this application, the in-situ fence on the eastern side of Queens Wharf "remain(s) in place at times when cruise ships are not docked at the wharf."

9.11 Panuku Development Auckland, as joint owner and manager of the wharf, has indicated that from May 2019 when western side access along the wharf is restricted by the ferry terminal upgrade works, public access on the eastern side will be available at all times that the area is not required to be restricted for exclusive occupation by Ports of Auckland for cruise ship activity

Comment:

3.14 I'm not sure why we need to wait for the western side of the wharf to be restricted before Panuku complies with its existing resource consent in respect to public access on the eastern side. This statement just reinforces the disregard for public use of the wharf as it is, and invites a cautionary approach to granting any consent for the Dolphin. In any case, I have already referred to the potential for cruise ships to occupy Queens Wharf completely for the summer season, which implies public access to the eastern side of the wharf as well as to the Dolphin could effectively be denied for several months at a time, well before 2030.

STATEMENT OF EVIDENCE OF RACHEL VIRGINIA DE LAMBERT⁶

3.15 Refer paragraphs (which I will take as read):

4.2 There is no regular or consistent quantitative monitoring of the level of public use of Queens Wharf or the patterns of public gathering. Various security cameras monitor the wharf but there is no regular collection of data to record the patterns of access and use.

6.17 Mr Kensington and Mr Blakey also seem to accept the much greater change to the public amenity of the western side of Queens Wharf, resulting from the proposal to introduce 6 ferry berths with their associated access, gantries, balustrades and shelter structures, along this side of the wharf. As a result of this, they then put greater store on the value of the northern end of the wharf to provide the public amenity aspiration of the wharf. I agree that the ferry berth upgrade will have a quite dramatic effect on the qualities of the public amenity of Queens Wharf, but it seems somewhat unbalanced to transfer the

⁵ For example, ID Tours New Zealand, Toru Tours Limited, Ziplines New Zealand Ltd., Akorn DMC, Auckland War Memorial Museum, Bush and Beach 2013 Ltd.

⁶ On Behalf Of Panuku Development Auckland Limited Queens Wharf – RECREATION AND PUBLIC OPEN SPACE

expectations of public amenity to their evaluation of the effects of the dolphin proposal.

7.8 I therefore consider that existing public access opportunities will be maintained and that there will be some enhancement of access as a result of the public being able to walk out along the first 36m of the dolphin gantry (other than when a ship is berthed using the dolphin ties). The Heart of the City submission also suggests there will be restricted access to the northern end of Queens Wharf as reasons for their opposition. However, such restriction to the existing northern end of the wharf will be minimal and not involve further exclusion fencing.

Comment:

3.16 Our submission noted that public access to both the western and eastern sides of the wharf will be constrained due to the planned ferry terminal project, and in the event that the Dolphin is granted consent. The opportunities for public views from the wharf will therefore be funnelled to the northern end. That in itself will raise the relative value of that end of the wharf for public amenity purposes and it would be desirable to monitor patterns of public use to inform future decision-making in respect to planning or consenting processes. HOTC submits that such a monitoring approach should be a condition of any grant of consent.

3.17 In respect to para 7.8, the point in HOTC's submission about restricted access to the northern end of Queens Wharf, is that the Dolphin would become the 'new' northern edge of the wharf, which is for the most part gated from public access. Whilst access to the existing northern end would not be fenced off as such, this space would effectively become an intermediate space and in Ms. Lambert's terms, people would no longer be much rewarded for their journey to the end of the wharf by the views and feeling of being out in the harbour gained at the distal end of the wharf⁷. Indeed, the opposite feeling would be triggered when an extra-large cruise ship is berthed at the Dolphin.

3.18 I note that conflicting evidence has been submitted to this hearing as to the significance of the potential impacts on the public amenity and recreation value of the wharf. I concur with the evidence submitted by Bridget Gilbert,⁸ which sets out a comprehensive assessment of the public amenity values of Queens Wharf, and note the following conclusions from that evidence:

2.1 In my opinion, Queens Wharf displays landscape values that rate towards the higher end of the spectrum as a consequence of its:

*(a) **High Visual Amenity values** associated with the highly attractive, engaging, dramatic, and memorable views that are available from the northern end of the wharf, effectively 'on' the waters of the Waitematā and which:*

- i. enable an appreciation of the more natural landscape elements that underpin the fabric of the Tāmaki Makaurau landscape;*
- ii. serve as a counterpoint to the intensity of development associated with the neighbouring CBD (including the port); and*

⁷ Refer Ms. Lambert's evidence in chief para 3.13.

⁸ On behalf of Urban Auckland, The Society for the Protection of Auckland City and Waterfront Inc. and related submitters.

iii. epitomize the identity and 'sense of place' of Auckland as a truly waterfront city.

The proximity of the Queens Wharf harbour view to the CBD and the city's public transport hub also contributes to the importance of this outlook."

2.11 I acknowledge that Queens Wharf is very much a 'work in progress' as a public open space. However in my opinion, to argue the 'impoverished' character of the existing environment in support of a suboptimal cruise ship solution (from a landscape perspective), represents a failure in imagination given the significant potential of the area.

STATEMENT OF EVIDENCE OF GREGORY AKEHURST⁹

Refer para 8. RESPONSE TO SUBMISSIONS

8.2 In terms of economic issues, submissions in opposition raised the following key points:

(b) The value or benefits associated with cruise in industry and/or the visits by the extra-large vessels is lower than is stated in the economic assessment study.

Footnote 27 to para 8.2 states: See submissions from - Stop Stealing Our Harbour and Heart of the City.

8.4 Some opponents have claimed that the economic benefits are smaller than has been suggested. However, none of the opponents have outlined any evidence to support these beliefs. Submitters may elaborate on this issue in evidence, at which time I will be able to evaluate the basis of their position.

Comment

- 3.19 HOTC's submission primarily took issue with the Assessment of Effects report that reached a conclusion that environmental effects are not significant without providing any indication of the numbers of people or the frequency with which people will likely experience impacts on access or impaired views of the harbour.
- 3.20 Our submission seeks that these impacts are considered on a consistent basis alongside the estimates of aggregate economic benefit. That logic requires taking account of the scale of impact based on the current and projected volume of public users of the wharf.
- 3.21 Refer paras 45-46 in our submission which are repeated below:
45. In regards to the claimed economic benefits of the Dolphin, these should be put alongside the negative public amenity impacts (for which no allowance is made in monetary terms in the Appendix 20 'Economic Assessment' report). That report estimates the construction and use of the Dolphin will generate a direct aggregate contribution to GDP of at least \$6.8m to \$39.5m per annum over a 10 year period (the range corresponding to the

⁹ On Behalf Of Panuku Development Auckland Limited - ECONOMIC IMPACTS

Conservative and High Future scenarios above). Such benefits will be spread across a broad base with the likelihood that the average benefit per business across the region will be modest at best and quite possibly no more than minor.

46. Similarly, the adverse public amenity impacts will be spread over the purported baseline of 1.125 million annual visitors to Queens Wharf (which will increase as Auckland's population and visitor numbers grow). Even if the effects on the average visitor experience are assessed to be minor to moderate, the aggregate impact will be significant. In simple terms the estimated GDP impacts are equivalent to \$6.00 to \$35.00 per visitor. The public have not been asked whether they would be willing to forego such benefits in order to retain Queens Wharf as an accessible public space, but those dollar amounts do not provide a compelling basis for thinking the value of the Dolphin clearly outweighs the aggregate impacts on public access and amenity.

- 3.22 Mr. Akehurst's evidence in chief provides revised estimates of the wider economic impacts (with various adjustments made to the original report's estimates, including allowing for a 15 year duration). Refer para: 6.4 *Once the indirect and induced effects are accounted for, (through the EIA process) the wider economic effects can be assessed. They are estimated to range from \$26.6 million (under the conservative future) to \$95.7 million (under the high future) per annum.*
- 3.23 I note that the economic evidence submitted by Tim Denne¹⁰ to this hearing raises significant issues with Mr. Akehurst's use of the economic impact assessment methodology, and also with relying on the results of the alternative but preferred cost-benefit methodology.
- 3.24 HOTC submits that even if a revised and lower net estimate of long-term economic benefit is accepted by the commissioners, it be put against the potential for the 'public value' of Queens Wharf to increase over time. It is not unreasonable to expect that visitors to Queens Wharf could double from 1.125million now to 2.250 million over the 15 year horizon of the consent duration being sought¹¹. A recent council report on the City-centre Masterplan¹² states that in October 2018, Stats NZ estimated the city centre's residential population to have reached 57,000 and at the prevailing growth rate of 8%, the city centre residential population will double in eight years. The Auckland Plan 2050 states that the city centre is the largest and fastest growing employment centre in New Zealand and had 114,264 filled jobs in 2016, and total jobs may increase by over 75,000 (or 66%) by 2048.
- 3.25 As our HOTC newsletter stated in November 2018, significant growth and private development planned in the Queens Wharf area (e.g. Commercial Bay, Britomart) will reinforce this location as a commercial and retail hub, and a

¹⁰ On behalf of Urban Auckland, The Society for the Protection of Auckland City and Waterfront Inc. and related submitters.

¹¹ However, it is also reasonable to conclude that an increase to 2.250 million annual visitors to Queens Wharf is less likely to occur if access to Queens Wharf is frequently constrained or its amenity impaired due to the Dolphin.

¹² Refer Auckland Council Planning Committee agenda item 9:

http://infocouncil.aucklandcouncil.govt.nz/Open/2018/11/PLA_20181127_AGN_6740_AT.HTM#PDF2_ReportName_61166

number of public transport improvement projects in the area will continue to grow the numbers of people using nearby public spaces. By 2026, it's expected that 40,000 people a day will get to the city by ferry - up 208% on current figures - and that 65,000 pedestrians will use the western end of Quay Street - up 85% on today's daily numbers. By 2035, the CRL will bring 50,000 passengers an hour through Britomart.

- 3.26 Applying Mr. Akehurst's estimates of economic impact of a GDP contribution of \$26.6 million to \$95.7 million to a future scenario of 2.250 million visitors to Queens Wharf equate to \$11.8 to \$42.5 per visitor. We contend it is still valid to regard these dollar amounts as less than a compelling basis for treating the value of the Dolphin as outweighing the adverse impacts on public access and amenity.

CONCLUSIONS

- 4.1 The evidence submitted on behalf of the applicant includes many references to the quantitative size of activity and benefits attributed to the Dolphin (e.g. projected numbers of large scale cruise-ships and passengers to be accommodated, and their wider economic benefit). That evidence paints a picture of a growing demand by the cruise industry for access to Auckland's waterfront over the next 10-15 years and suggests there is no harm in adding infrastructure to Queens Wharf to cater for it.
- 4.2 It is equally important that the Commissioners consider the scale of public interest in the waterfront's public realm now and into the future. As mentioned earlier there are well over 200,000 people in the city-centre on a daily basis. Continued expected growth in residential, worker and visitor populations in the city-centre will naturally increase demand for pedestrian access to public space and event facilities.
- 4.3 On Queens Wharf such users will be competing with ferries and cruise-ships for access along the wharf edges and for use of on-wharf facilities. Just as the economic evidence relies on projections of the magnitude of change in cruise passengers over time, assessment of the reduction in the value of the public realm on Queens Wharf (due to the Dolphin) needs to take account of growth in public demand to access the same space. Whilst such costs cannot be easily monetised in an equivalent way to economic benefits (as recognised in the economic evidence referred to above), it is clear that the magnitude of non-monetary costs/loss of value will similarly increase over time as the city-centre daytime and night-time population expands.
- 4.4 I appreciate that the council's competing objectives for the waterfront (e.g. port activity, public access, events, protection of environmental and mana whenua cultural values etc.) are all at play in this consent application. Whilst the council has accepted Panuku's advice to pursue the Dolphin as a solution for the cruise industry, it has left the other objectives to be safeguarded by groups such as HOTC and many other submitters. The council planner's s42A report comprehensively considers the breadth of issues, values, and RMA requirements at stake, and in weighing it all up, identifies major reservations about the Dolphin, leading to the recommendation to decline consent.
- 4.5 Our contention remains that the potential for adverse effects of the Dolphin is significant and the aggregate impact for the Auckland public outweighs the

economic returns offered by the Dolphin as a preferred option for accommodating extra-large cruise ships. We therefore seek the Commissioners to decline consent.

5. CONDITIONS OF CONSENT

- 5.1 Without prejudice, should the consents be approved we support the proposed consent conditions from Mr. Blakey including in particular:

Conditions 63(a) and (3) and 64.

- 5.2 With respect to Condition 3, we submit the duration should be fixed at 10 years, to read:

Pursuant to ss116 and 123 of the RMA, the duration for the resource consents for structures to occupy the CMCA under s12(2) of the RMA following grant of consent shall be 10 years.

- 5.3 A duration of 10 years would allow Auckland Council to plan ahead for an alternative solution that meets the competing needs of a growing, worldclass city and provide funding as appropriate in any of the next three Long-term plan cycles within that period.

- 5.4 We also consider an additional consent condition related to monitoring would be appropriate so as to address the interest in on-going public use of Queens Wharf for the reasons outlined above, to read as:

Monitoring of cruise ship and public use of Queens Wharf:

Following the commencement of consent at one yearly intervals, the consent holder shall provide to the Auckland Council [Manager of Resource Consents Central] a report containing data on the monthly volume of all cruise ships berthed at Queens Wharf East and an estimate of the annual number of pedestrian visitors to Queens Wharf (including visitors to Shed 10 and the Cloud) to provide a basis for monitoring trends compared to a pre-consent baseline.

DATED 25 February 2019

Viv Beck, Chief Executive, Heart of the City