



BRIEFING PAPER

For : Greg Schollum Wellington Regional Council
From : **Ken Harris** CentrePort Wellington
Regarding : **Shed31**
Date : 17 June 2000

General Statement

The Port Companies Act places a statutory requirement on Ports “to operate as a successful business”.

Inherent to this requirement is that:

- the business progresses in a way that is commercially sustainable, ie producing adequate returns and growth
- the business is well governed and is a responsible corporate citizen.

The company takes the need to be a successful business and as a key part of this its corporate citizenship role very seriously.

It is therefore of concern to hear that we have not communicated adequately in regard to some issues. Specifically we understand that there has been disappointment expressed with the loss of Shed 3 1.

We understand this concern and were ourselves are very unhappy that efforts by ourselves and others to find another option ultimately proved impractical.

Background

It may be of interest to reflect on some of the relevant history. In 1988 Port of Wellington Limited was incorporated to control the commercial interests of the Wellington **Harbour** Board. With the subsequent enactment of the Port Companies Act 1988 ownership of the port operational and asset owning aspects of the company were vested with the Manawatu Wanganui and Wellington Regional Councils.

In a unique and visionary move the Wellington Harbour Board and the Wellington City Council brought together their property interests to form the **Lambton Harbour** Project comprising a two company structure with **Lambton Harbour** Overview Limited providing the political control and acting as bare trustee of the partners assets

and its wholly owned subsidiary, **Lambton** Harbour Management Limited, charged with effecting the development project with a commercially focused Board. Ownership of **Lambton** Harbour Overview Limited was, with the demise of the Wellington Harbour Board under the Local Body Reform process in 1989, fully vested in the Wellington City Council with it assumed ownership of a significant property portfolio that also incorporated other Harbour Board property with high amenity and heritage value.

*In essence it was recognised that the port's operational requirements could not work successfully if fettered with heritage buildings and yet appreciated the need for the city to preserve its rich heritage. Accordingly, the **Lambton Harbour Project Area** boundary was specifically set to ensure that a good selection of buildings, representative of the port areas heritage, were preserved. This visionary, and yet pragmatic arrangement, has worked for all parties. The most obvious representation of this is the recognition and inclusion, in the **Lambton Harbour Project Area**, of **Shed 21** for its heritage significance, even though it encroached into an area of important operational need*

It is interesting to note that Wellington was the only New Zealand Harbour Board to have acted in this farsighted way.

*The Wellington City Council in the recent development of its District Plan, under the provisions of the Resource Management Act, acknowledged the significant contribution already made with the representative heritage buildings in the **Lambton Harbour Project Area** by not including any buildings within the Port Area within its heritage list.*

Shed 31

Situated on Rings Wharf in the heart of the ports busiest operational area this shed was constructed in 1909. Late last year a comprehensive record of the building was commissioned with Burrell Hunt Architects, which includes a history of its use, construction and architectural detail along with a comprehensive photographic record. As with other character buildings which the company has demolished the documented record will be deposited with **NZ** National Archives.

The building was made obsolete by the introduction of modern equipment with high axle loading and has remained substantially unused for the last four years. The building was in need of significant maintenance with the external weatherboard fixings failing and the roofing comprised of aged and failing asbestos sheets.

In 1999 the Westpac Stadium was constructed. To assist its operations the port agreed to provide the Stadium with a large coach parking and patron transfer area. The only area practical and immediately available was land situated between Rings Wharf and Waterloo Quay. This together with a sharp upturn in port activity generated a need to free up space on Rings Wharf and the only practical alternative was the removal of both Sheds 31 and 33.

The problem was studied extensively and against the background of the company having a strong prejudice for saving the building. Moving the building on to a more suitable site was determined to be practical and this option in particular was exhaustively studied. Efforts in this direction by ourselves, as well as other parties, continued *over* a period that eventually stretched to more than eight months.

Options for Retention of the Building

The relocation option was consistent with plans released by **Lambton** Harbour showing the building situated on Frank **Kitts** Park. In the event, tied down by the controversy of some of their plans, **Lambton** Harbour were finally unable to provide a site. Also evaluated was the possibility of relocating Shed 31 to various sites on our land **and/or** storing the building until a site could be found.

You will be aware **from** the briefings we have held outlining our property plan that we are looking to relocate operations away from the city concentrating most **freight** operations on Thomdon, Aotea and Kaiwharawhara sites. This could have meant that Shed 31 became a development opportunity on an inner city berth. After careful study we reluctantly had to abandon this idea though several (perhaps ten) solid proposals were evaluated. Timing and engineering problems ultimately proved too difficult.

A particular option considered in detail was the possibility of storing the shed either dismantled or complete until an alternative site could be found or **Lambton** Harbour's constraints were resolved. This ultimately proved to be impractical as a storage site could not be found that kept the shed secure and a double move affected significantly the economics of relocation and development.

At the end of this process, **after** more than eight months of looking for alternatives and rather later than we should have operationally, the port reluctantly decided the only way to secure the removal of the Shed was to have it demolished.

Other

As mentioned above, as it became clear that the loss of the Shed 31 was a real possibility, the company commissioned a historical research and archival programme as well as a photographic record. We appreciate that this is not a substitute for the real building, however, we are pleased that this record will at least provide those interested in research of port and city infrastructure the ability to access quality archival material in relation to Shed 31.

In December of last year the company discussed the matter with the Historic Places Trust. They invited us to review, in conjunction with them, the alternatives to demolition. This was done and we gained the impression that they considered we had exhausted the alternatives, acted responsibly and were happy with our mitigation of the loss through an archival programme. The loss was also reported several times in the newspapers. We have not however received any correspondence subsequent to the loss of the building or any inquiries as to the background leading up to the demolition either from this body or the public.

Conclusion

We appreciate that aspects of port operations and property use are of interest to the public and special interest groups. We always welcome the opportunity to meet with individuals and groups regarding any matter which might help their or our understanding of any issue and do so on a **frequent** basis. Further we try to cover potentially sensitive issues in our briefings. (For example, you will recall the briefing which outline the companies EIRS programme.)

In this case the need to remove this building was specifically referred to in our briefings but regrettably only in the context of our Property Plan. We did not identify it as an issue of wide interest. Due to the large amount of ground encompassed in briefings appreciation of the specifics is for the audience difficult.

What we could try to do about this is try to hone in on matters likely to be of public interest or of interest to special interest groups in a special section. In addition we suggest that it may be helpful if we meet with yourself and the Directors of Port Investments Limited more frequently to better assess what are the current events and strategic issues.

Once again I apologise for not having adequately communicated the above background to you earlier.

Ken Harris
Chief Executive