

Community Reference Group

Minutes of Meeting held on Wednesday 2 June 2021 at 5.30pm

Venue: Microsoft Teams online meeting

Present:

Name	Organisation
Matt Ball	Ports of Auckland
Alistair Kirk (via Teams)	Ports of Auckland
Rosie Mercer	Ports of Auckland
Morgan MacFadyen	Ports of Auckland
Nigel Ironside (Teams)	Ports of Auckland
Ardeth Lobet	City Centre Residents' Group
Bob Tait	Friends of the Earth
Bruce Burton (Teams)	Local resident
Gayle Bennett	Emily Place
Jarrold Hepi (Teams)	Reliance Transport
Luke Niue	Parnell Community Committee
Lyn Eden	Dilworth Terrace
Mike Blackburn	Parnell Community Committee
Michael McKeown	City Centre Residents' Group
Paul McLuckie	148 Quay Street
Rick Ellis (Teams)	Gladstone Apartments
Ross Inglis (Teams)	York Street Apartments
Stephen Greenfield	City Centre Residents' Group
Terry Anderson	Dilworth Terrace
Yvonne Theuerkauf	Mirage Apartments

Apologies: Tony Gibson, Wayne Thompson, Wayne Mills, Allan D'Souza, Craig Sain, Lauren Salisbury, Angelene Powell, Mike Lightfoot, Rob McKnight, Jason Galea, Tim Coffey, Dennis Knill

Agenda

TIMING	AGENDA ITEM	OWNER	SLIDE
5:30pm	Welcome and confirmation of last meeting's minutes	Matt Ball	1 – 3
	General Business Update:	Matt Ball	4 – 7
5:35pm	Chief Operating Officer COVID-19 Safety & CHASNZ Operations Automation Recruitment		
5:55pm	Environmental Update: Channel deepening and disposal of dredged material Noise (incl. ship generators and pre-dawn rail shunts) Air Quality (<i>Awanuia</i> and VLSFO) Light	Nigel Ironside / Luke Niue	8 – 11
6:15pm	Sparky update	Matt Ball	12
6:20pm	SBTI targets approved	Rosie Mercer	13 – 14
6:25pm	Shore power	Ross Inglis / Rosie Mercer	15
6:30pm	Heavy vehicle use on Gladstone Road	Luke Niue	16
6:35pm	AOB	Matt Ball	17
6:45pm	Close	Matt Ball	18

Welcome and confirmation of last meeting's minutes – 5.30pm – Matt Ball – Slide 1-3

Matt Ball opened the meeting at 5.33pm and advised apologies.

Matt shared Tony Gibson's apologies and advised of his resignation from the port and that Wayne Thompson (CFO and Deputy CEO) would be Interim CEO.

General Business Update – 5.35pm – Matt Ball – Slide 4-7

At 5.34pm Matt Ball provided the general business update.

Chief Operating Officer

Matt advised that earlier this year we introduced the role of Chief Operating Officer and had appointed Mike Lightfoot into the role as interim. For the last four years Mike Lightfoot has been CEO of Nexus Logistics, the port's subsidiary company, and in more recent years also Conlinxx (another port subsidiary) as the two were combined.

COVID-19

At 5.35pm Matt Ball provided an update on the port's response to COVID-19. Frontline staff affected by the border testing order are still being tested either weekly or fortnightly. We had vaccinations onsite (alongside testing) to help cater to the majority of our frontline workers. Vaccinations are now not available onsite and instead need to be administered at public centres.

There was some discussion around who is required to get tested and vaccinated. Advised that the compulsory vaccination only applies to government agencies and thus the port employees are exempt, although we are actively encouraging it. As we are not a quarantine centre and have many layers of controls in place, the risk to our staff is relatively low, although still there.

Safety & CHASNZ

At 5.37pm Matt Ball provided an update on safety and advised there are currently two major streams of work in this space, although there are many strands that feed into it: the creation and implementation of the port's strategic safety and wellbeing plan under the new Safety & Wellbeing Manager, Vanessa Matakatea; and the implementation of the recommendations from the Construction Health and Safety New Zealand (CHASNZ) report. The CHASNZ report was released in March 2021 following its commissioning by Auckland Council and contains 45 recommendations. Ports of Auckland have accepted all the recommendations; 6 of them are completed, 30 are underway and 9 are yet to start.

The wider strategy that wraps around the report encompasses all of those things. We're trying to create and encourage a much more embedded and developed safety culture at the port.

Rosie Mercer added that the difference in the way Ports of Auckland is implementing this work is that all the executive team are involved much more intensely now, and each executive member has been appointed as a sponsor for specific areas of work. The Safety & Wellbeing manager is trying to create a top-down cultural change in the way we address and deliver safety. By putting responsibility on the executives, it helps them to be better understand what is being delivered and be part of driving that change. She is also generating a lot of bottom-up engagement as well, through the likes of safety workshops with all staff – and involving senior management in delivering them and creating a swell of positive change. This activity is creating two-way dialogue that is being fostered and encouraged. The draft safety and wellbeing strategic plan is currently out for staff feedback. It is a process of involving people across the business to encourage everyone to take responsibility for safety.

Gayle Bennet asked where the main areas of concerns were. Matt Ball responded and said one of them was the lack of a cohesive safety culture throughout the port, including operational areas and stevedoring. The CHASNZ report was a detailed look at the way safety has been delivered and implemented and we've accepted the recommendations on how we can do better. There were clearly some gaps and now we're working to fill them and be better than we were. Some further discussion ensued.

Michael McKeown asked when the new safety and wellbeing manager started. Advised that Vanessa Matakatea started in late January 2021.

Mike Blackburn said that in his opinion Auckland Council probably need to do a safety check on themselves, especially on the roads in relation to recent cyclist death in Parnell.

Bob Tait recommended in situations where there are multiple hazards, organisations should look to the Pike River reports, which analysed how incentives that encourage people to cut corners contributed to accidents. He also referred to straddle drivers and tip alarms at the port.

Operations

Multi Cargo

Matt Ball shared that on the Multi Cargo side of the business, operations have been incredibly busy. This is in part due to the fact we've seen a bounce back in cargo, especially in the likes of cars being brought in and many of them being pre-sold. Fun fact: at the time of the meeting there were 225 Teslas on Marsden Wharf.

Additionally, Multi Cargo are also taking some load from the container terminal to help clear congestion. There's a new service doing a trans-Tasman shuttle that is calling Multi Cargo so they're handling more containers through those wharves now too.

Also contributing to the volume of work is the increase in some of the other bulk commodities; Genesis is bringing in more coal for power production through the ports of Auckland and Tauranga; there's more iron sand shipments as the commodity price has increased; and the increase in container prices has seen small businesses who used to individually export scrap steel, banding together and chartering bulk ships.

Gayle Bennet asked if during the handling of coal, if the coal was covered from start to finish and if there was a specific wharf those ships were serviced on. Matt Ball advised that all coal shipments were handled on Freyburg wharf and that the coal was not always covered. Rosie Mercer added that there is a specific standard operating procedure (SOP) for the handling and storage of coal that is adhered to and it is handled differently to other bulk material on the port. The grabs, which pick up the coal from the ships are special environmental grabs that keep the product contained from the ship hold to the hopper. The coal is loaded directly into trucks and is not stored on site. Through these processes, the chances of discharge of coal are minimal.

Mike Blackburn asked if we conduct tests on the water and seabed quality around the wharves. Nigel Ironside advised we carry out sediment testing in and around the wharves and we know the contaminant levels as it part of our consent for dredging, which we report every five years to Auckland Council. Under the new consent for disposal of dredged material we had to go and sample all the material and assess its suitability for disposal. The EPA certifies and grants that assessment, and they compare all the chemical compositions against the ANZAC guidelines.

Terry Anderson commented that there's a lot of dust on their deck on Dilworth Terrace and inquired if it's likely to be from the coal operations. Nigel said no, it's more than likely to be a result of combustion.

Container Terminal and automation

The container terminal is still experiencing congestion, but we continue to work through it. At the time of the meeting there was only one ship waiting offshore. Mike Blackburn asked why there was only one. Matt Ball responded that it was a combination of factors; the fact the global supply chain has been hugely disrupted, the congestion here, the impact of COVID-19 on our work patterns and rostering – we've reduced the maximum hours of work per week for our Stevedores and have brought in guaranteed paired days off, we are also partway through our automation project and the additional ancillary moves can be tricky and take me more time. To help address this we are continuing to actively recruit. Volumes are down despite the congestion.

Recruitment

We have hired four crane drivers from overseas as well as a few domestically, though they are few and far between. We've also rehired some staff who had left, we've hired 50 new lashers and trained a dozen straddle drivers internally, so we are continuing to put people through that pipeline. We are struggling though. When the terminal is congested with over 60-70% of theoretical capacity, you have to dig around to get the box that you need. This morning we were 115% of capacity and that just slows everything down – that's why there was a queue of trucks this morning, there wasn't anything wrong, we were loading and unloading them, it just takes time.

We are still hiring and training. We've applied to bring in another five crane drivers from overseas.

Terry asked if volumes were up or down and if labour costs were going up but with lesser throughput. Matt advised that volumes are down although the configuration of them has changed and we are seeing more import fulls than empties.

Steven asked the average time a box sits on the port. Matt said for import the dwell times tends to be just over two days. However, exports tend to sit at seven or so days on average which is a result of the schedule being off – they expect a ship on Tuesday, so arrive on Monday, but then the ship doesn't come until Friday for example. Exports are staying longer, not imports, so it is fortunate we are an import dominant port.

Mike Blackburn asked if the container terminal could run on its own without the rest of the port – such as Multi Cargo and the bulk side of operations. Matt said that the more intensively you concentrate the land, then yes you could. Michael McKeown said in his observation the port isn't that spread out compared to other big cities. Matt added that when comparing metrics like TEU per metre, we're far ahead of many ports around the world.

Luke Niue asked if we could share Tauranga congestion with rest of the CRG as well as the images of all anchorages full compared to Tauranga (**Done, 11 Aug.**)

5.55pm Environmental Update – Nigel Ironside – Slide 8-11

Channel deepening and disposal of dredged material

At 6pm Nigel provided an update on dredging and disposal of dredged material. We're still working through with the submitters, there's two primary ones against our dredging consent; *Protect Aotea* (based in Great Barrier) and *Protect Our Gulf* (based on Waiheke). We are in quite meaningful negotiations with *Protect Aotea* and had mediation session yesterday. If we can address those concerns, then we can settle them. The first environmental court hearing is set for later this month if we can't though. The substantive hearings would be held in October/November in front of the Environment Court if no resolution can be found. A lot of background work going on.

Noise (incl. ship generators and pre-dawn rail shunts)

Luke Niue said he was aware of communication of the noisy generators on ships and how that's being addressed going forward. Nigel Ironside advised it's a work in progress. We receive a few notifications of noisy ships so we're keeping track of these notifications. New Zealand ports put together a standard noise monitoring protocol approximately 18 months ago for the likes of generators that need to run to keep the reefers cold, exhaust etc. as well as common database where we could all share and track vessels around NZ. Ports like ourselves, Lyttelton, Otago and Nelson have been at

the forefront of engaging with the lines and monitoring numbers. As a result of this work, we've had five ships withdrawn from NZ service, because they decided it was more expensive to fix the ships than to swap them, so they've swapped.

We're working together to develop a noise specification or a noise standard to provide to lines so they can voluntarily meet the specifications for noise. There's a lot of engagement. The ships that call Napier, Lyttelton and Otago (less-so here) there's been silencers put on exhausts etc. There have been some wins and definite increase in awareness on the issue. Working with the lines to adhere to the noise standards.

Matt advised the work that's done under Neptune, is a global standard. Ours is based on that, but specific to our environment. So, shipping lines are familiar with them.

Terry Anderson commented that berthing ships bow-south to reduce noise for locals used to be an option. Matt said it's a rarity to berth the ship safely. It's only done when conditions and the ship are suitable. Fergusson north is also an option to put noisy ships, so they are further away.

Gayle advised there was a noisy ship, a ro-ro in Multi Cargo and asked if they can turn it around. Matt said no because of the way the ramp is facing on those ships. Nigel said that if we can be notified, we can look to do something, so advised Gayle to let us know sooner next time.

Mike Blackburn asked if we're setting up protocols and what standards we were implementing, for example using containers to make a wall to create a sound barrier. Nigel said we use containers actively for the likes of scrap steel, but this standard will be a noise limit on the exhaust of generators. Is it possible to bring in an annoyance level, rather than just averaging.

The voluntary protocol is for the likes of generators, even though they comply with average and peak noises levels.

Rail shunts

Luke Niue shared that KiwiRail advised that they're grinding the rail lines to make them quieter, although he's yet to notice any improvement. Yvonne added it's KiwiRail's responsibility and is independent of port operations.

Nigel shared that we do have a timetable with KiwiRail, although unsure how much they keep to it. During the night we get the empty wagons delivered, which could be the noise.

Alistair Kirk added that there is a lot of work happening on the lines opposite the port as part of the wider upgrades to the area for passenger trains. He shared he wouldn't be surprised if there's big trains of rails and sleepers being dumped there in the middle of the night because they can't do that during the commuter times.

Matt advised that if it happens again to email us and KiwiRail to advise.

Air Quality (Awanuia and VLSFO)

Luke asked in response to our media release about low sulphur fuel being offered, what the environmental impact and air pollution will be. Matt responded and said there won't be any impact – the rules have been in place since the start of 2020 that ships must either use low sulphur or scrubbers; all we're doing now, as was announced in the media release, is having an option to provide the fuel.

Gayle said that in the last few years she's seen positive change and a marked improvement in the blackness on her balcony.

Nigel advised the vessels coming into port under IMO can burn low sulphur heavy fuel or a marine diesel and then can burn the high sulphur heavy fuels out at sea. If they are burning the marine diesels when in port that would benefit the soot levels. Someone asked if fewer cruise ships would be having an impact, to which Nigel responded that it's unlikely as most of them tend to use the higher quality fuels or scrubbers already.

Mike Blackburn asked if it meets the Auckland Council air quality. Nigel said the only stuff you can compare it against is the ambient monitoring and we certainly comply with all of those regulations and national standards not just for Auckland. We are more than confident our activities meet standards.

Matt Ball asked Rosie Mercer if the Auckland Council study done years ago identified the port as main contributor of sulphur and if that's been repeated – can we compare now? MARPOL reduced the maximum sulphur content level to 3.5% some years ago and then reduced further to 0.5% sulphur content in 2020.

Michael McKeown asked if NZ's adoption of the MARPOL annex applies to all shipping or just coastal – it applies to all vessels if it's flagged to a signatory state or in the waters of a signatory state. Rosie advised we are not yet a signatory. Bob asked how many have not signed, to which Rosie said there's not many who have not signed – the reason New Zealand hasn't yet signed is because there's a lot of structures that must be put in place before we can sign up to it and that work is underway.

Mike Blackburn asked with the monitoring we did during lockdowns if it was correlated to specific vessels. Rosie and Nigel advised yes, using it as a baseline, overlaid with wind direction etc.

Terry asked if there's any ships coming into Auckland that don't comply. Rosie Mercer advised it's possible, but not sure. We can't enforce anything, it's unlikely there's many if any ships and they will need to be compliant soon once we're a signatory state. Some further discussion followed.

Light

At 6.37pm Bob Tait spoke to the requested agenda item regarding light. He said that with the shift to LED lighting, there's an issue with the wavelengths of the light produced and the biological effects on humans and other species. He talked about the damaging impact of UV light with a blue component to it. He suggested that the port look into it, with the idea to move to warmer lighting rather than the bright white. Matt said we will keep it in mind.

6.15pm Sparky update – Matt Ball – Slide 12

At 6.40pm we shared the video of *Sparky's* superstructure being installed and advised that we will have some staff going to Vietnam to do sea trials.

Rosie advised that the backup generators on Sparky will use renewable diesel. Rosie shared sample of renewable diesel and advised how it can be used as a 100% replacement for diesel. It's a synthetic diesel made from residual waste streams from cooking oil and timber processing etc, made by a Finnish company. Mike Blackburn asked if it's expensive and Rosie said it's well in the market now, not just R&D, but yes, it is still expensive. There's not much about decarbonisation that's cheap.

Our first trial is underway currently with a tug, pilot boat, reach stackers and empty hoists. The special thing about the product we have selected is that it's got all the engine manufacturers approvals, which other products do not, for most machinery.

Gayle asked how many e-tugs are in production and if we're worried. Matt and Rosie said ours is the first and we're not worried. Mike said it's good that we're doing it and taking responsibility for making needed change. Gayle asked the price of *Sparky* to which Matt responded it is almost twice the price of a diesel tug, but lower running cost.

6.20pm SBTI targets approved – Rosie Mercer – Slide 13-14

At 6.46pm Rosie Mercer provided an update on science-based targets. Science-based targets is the scheme that we wanted to use to verify our emission reduction road map. When we joined the Climate Leaders Coalition, it included a pledge to make commitments grounded in science. From 2017 we had our zero emission by 2040 goal. That in itself didn't align with a 2° or well below 2° target. Climate science is such that the 2° target limits require a significant amount of action over the next 15 years through to 2032 to achieve them. To achieve zero emission to 2040 we could leave a lot of our transition until the 2030s. That would mean through the 2020s you wouldn't necessarily have significant emission reduction. However, that would not be enough to have a target aligned with a 2° limit. The Science Based Targets initiative (SBTI) is global scheme that verifies that target and is a robust process, far more thorough than we expected it to be.

When looking at our target and how we achieve it, there are two pathways we could head down – one is to transition a lot of equipment to zero emission in 2020s, or the second option being to use transition fuels like the renewable diesel. We did a financial analysis with a cash-flow model and looked at the cost of CAPEX vs OPEX for these options. We realised we needed a hybrid approach, which is why we're using all of these different zero emission options. Matt added that we'd got a normal diesel tug now, we wouldn't meet our targets.

Bob asked about the guarantee of our supply of renewable diesel. Rosie said it is secure.

Paul McLuckie asked what the cost of renewable diesel compared to relative diesel, to which Rosie responded it is less the three times.

Mike Blackburn about the lifespan of the batteries in the tug, Matt thought it was the life of the tug, but Rosie thought they were replaced at 10 years.

The key points in relation to the SBTI – Ports of Auckland will be reducing their scope 1 and 2 emissions by 38% by 2032 – those are absolute reductions, not an intensity metric. Our goal is to also work closely with our suppliers and have 67% of them (by emissions) to have emission reduction targets aligned with the same systems by 2025. We're looking to drive some significant change within the supply chain.

Mike Blackburn asked if other ports around New Zealand are on board in the same way, like Port of Tauranga. Rosie said that some are following suit in behind us, however not Port of Tauranga at this stage. Lyttelton, Eastland and Nelson all joined Climate Leaders Coalition so will be doing something similar. We are the first port in NZ to have science-based targets.

Terry asked who suppliers were or what they were classed as and if that included trucks. Rosie said no, it's our vendors and suppliers, for example, construction companies, manufacturers etc.

Coming back to renewable diesel, Mike Blackburn asked if there was a decrease in performance, to which Rosie responded that there is a 3% calorific energy value differential – i.e., you need about 3% more fuel to do the same work, but operators aren't noticing any issues, except less smell.

6.25pm Shore power – Rosie Mercer / Ross Inglis – Slide 15

A 6.57pm Rosie spoke to the requested item around shore power. She shared that in 2018 Ports of Auckland did a feasibility study for shore power in the cruise terminal, which found the cost of putting it in is \$15-20 million for the cruise terminal. She tried to apply for funding through the climate lane of Auckland's long-term plan but is yet to hear anything back.

In more recent times, over the last year we put together another feasibility study for the container terminal to compare which would have a stronger business case. Container ships have a lower energy requirement at approx. 6-7MVA, whereas cruise ships need 15MVA. The implantation cost for the container terminal was still high at approx. \$10 million.

We are futureproofing our infrastructure though and every time put more ducts in or carry out repairs, we're putting in extra ducting and capacity to accommodate in the future.

At the moment there are still very few ships who have the capacity to take a shore power connection on the ship. Rosie shared that we're looking at how many ships we need to have that capability in order to make it viable. We're also working on how we can work with the shipping lines and get them to commit to bring the ships that have shore power capability here.

Mike Blackburn asked about the interface with city power grid. Rosie said we work with Vector whenever we do our feasibility studies.

There is a shipping line we're looking at creating a bespoke shore power offering with them as a pilot possibly.

6.30pm Heavy vehicle use on Gladstone Road – Alistair Kirk / Luke Niue – Slide 16

At 7pm Luke talked about heavy vehicle use on lower Gladstone Road. He advised that he had witnessed trucks coming through from Otorohonga, parking on Gladstone Road, and staying at motels overnight and then going to the port in the morning turning into Clevedon and Belford Roads. It was an amenity issue where they were taking up a lot of space. Appeared to be six or seven trucks all from Winstone, destined to pick up Gypsum. Luke said he's talking to David Aitken at National Road Carriers about the issue but wanted to know if the port can provide parking for these trucks on port and shuttle them to motel so that they're not parking there. Gladstone Road has a control on it where unless there is a special condition it cannot be used for trucking.

Matt asked if Auckland Council could enforce it.

Alistair Kirk advised we'll take it up with NRC, as we know other operators do that and leave trucks on the port overnight, so we'll see if this can be an option for Winstone to work with NRC.

6.35pm AOB – Matt Ball – Slide 17

At 7.05pm Matt Ball called for any other business. None was offered.

6.45pm Close – Matt Ball – Slide 18

Matt Ball closed the meeting at 7.05pm.

Next meeting: 5.30pm, Wednesday 25 August

Actions:

- Share Tauranga congestion information, as well as images of all Auckland anchorages full compared Tauranga's all full. **Matt Ball**
- Share noise monitoring protocol presentation from Nigel Ironside. **Morgan MacFadyen**
- Check how frequently Sparky's batteries will need to be replaced. **Morgan MacFadyen**. Should last roughly the lifetime of the tug – 20+ years
- Follow up with Winstone/NRC for drivers to park onsite and shuttle instead of parking on Gladstone Road. **Alistair Kirk**