

Ports of Auckland Response to the CHASNZ Independent Health & Safety Report

Ports of Auckland (POAL) has prepared this response to the Independent Health and Safety review conducted by CHASNZ to provide further information to the reader of the review report. CHASNZ has not reviewed this response and express no opinions regarding its content.

POAL would like to thank CHASNZ for the way they have conducted the review and their findings. We accept those findings and are committed to complete their recommendations as soon as practicable. We would like to note there are 45 recommendations and completing them to the standard desired is a significant challenge. Many of the recommendations require safety cultural changes which naturally take time. We believe we are up to this challenge. We will regularly report our progress on completing these recommendations to our employees, shareholder and the wider public.

2.1 Governance

POAL agrees with all the recommendations in this section and has already recently established a Board Health and Safety Committee to lead the work required. This Board Committee has four Directors as members. The Committee will meet monthly, and the CEO, Deputy CEO & CFO, and Senior Manager Safety & Wellbeing will attend these meetings.

POAL will include its key health and safety objectives and targets for the next three financial years in its next Statement of Corporate Intent and will report on these quarterly to Auckland Council, its employees and publish those reports on its website.

2.2 Leadership

POAL acknowledges the importance of having a strong safety culture and that significant effort is required to positively change this culture. Cultural change is not something that can be achieved quickly and requires a willingness from all parties for it to happen. POAL is willing and able to work with the Maritime Union of New Zealand (MUNZ) other Unions and stakeholders on this.

POAL acknowledges that its worker engagement process needs significant improvement. Prior to the CHASNZ review, POAL, in conjunction with MUNZ had commissioned an independent review of worker engagement. That report also identified improvement opportunities and POAL has already reviewed its Departmental Health and Safety Committees to ensure they are operating effectively and provided training to its elected Worker Health and Safety Representatives.

Following the lasher fatality, the POAL leadership team has prioritised sending a strong message to all staff that safety is a higher priority than productivity or profitability, that staff need to speak up if they believe the work they have been asked to do is unsafe, and that they are safe to speak up.

As safety is everyone's responsibility, we want our people to have comprehensive and meaningful engagement in safety. We have distributed these messages through shift briefings, employee

video conferences, on-site digital screens, and written staff communications. Our CEO has led this work.

POAL recognises the importance of health and safety leadership training for managers of all levels, including our frontline supervisors, and have already planned a programme to support this. The programme will be integrated into POAL's new Leadership Training program, it has a strong emphasis on visible, felt leadership and is closely aligned with the Occupational Health & Safety Management System (OHSMS) to ensure H&S understanding. The 12-month programme allows each safety module to be delivered, practiced, and reviewed to achieve positive behavioural change toward a strong H&S culture.

2.3 Health and safety risk

Although POAL has a functioning OHSMS we accept that it requires improvement and endorse CHASNZ's recommendation to align this with ISO 45001. We had already recruited an experienced OHSMS Manager in December 2020 to perform this work and he is well underway.

Although POAL had identified its critical risks and was regularly communicating these from the Board room table to shop floor, we accept that not everyone had a common understanding of the risks and controls. We endorse CHASNZ recommendations for a Critical Health and Safety Risk Programme and this now is our number one priority. We have already conducted 15 workshops with workers across the port which included an opportunity for workers to identify what risks they considered most critical for them. We understand the importance of monitoring all controls are in place and effective, for critical risk activities.

In relation to key finding 2.3.6, we believe that we have all the essential elements of a safety assurance programme for the automation project, although not in the form of a framework expected by CHASNZ. Considerable work has been undertaken in ensuring the automation project delivers safe outcomes and there are multiple safety controls built into and around the system based on international standards. As recommended in the report, POAL is currently compiling the elements of the work that which have been completed together, into a safety assurance framework, as recommended in the report. This will be reported to POAL's Board in April. Once completed, we will immediately start using the same framework for our other recently completed, and in progress, projects.

Paragraph 2.3.8 notes that there are opportunities where human factors' expertise would assist. We note there is no statutory or other requirement to engage a human factor expert. Our Safety and Wellbeing advisors are qualified in Occupational Health and Safety, and this includes human factors as a component. Regardless, we will consider including technical experts such as these, in our safety and wellbeing programme as recommended.

In relation to the specific areas mentioned:

- (a) We are currently exploring avenues to increase safety for the straddle trainers. These include engaging a working at height specialist and reviewing structural changes that will still allow the trainer to engage directly with the straddle's controls for the trainee if required.
- (b) We ensure we take cockpit configuration into account when we recruit staff. We are currently reviewing the safety of our existing staff to operate straddle carriers. Likewise, we are currently addressing the issues around seatbelts and headrests.

2.4 Overlapping duties

In response to paragraph 2.4.2, POAL currently undertakes a significant amount of work and invests considerable time in managing the overlapping duties with third parties using the port. As the report noted we are already engaging with third parties and we have made positive progress in improving relationships.

In response to paragraph 2.4.3, housekeeping is a dynamic situation, and we use our best endeavours to ensure good housekeeping is maintained. Since the review, we have approved the recruitment for an additional resource to the multi-cargo area to help this area meet their health and safety obligations.

In relation to paragraph 2.4.4, we have been reviewing the risk in relation to traffic management for some time and see this as one of our top priorities. We have engaged a traffic management consultant to create a plan to better address these risks.

In relation to paragraph 2.4.5, should note that we have third party operators who are not contracted by POAL, but by the shipping lines for which they perform stevedoring services. Regardless, POAL's Terms of Entry agreement highlights their legal obligations to manage H&S, including ensuring controls are implemented for their critical risks.

In reply to paragraph 2.4.6, we had been aware of the issue regarding the safety of third-party drivers and had already advised the tenant that this practice is unsafe, and they are required to change it. We will ensure this happens immediately.

In relation to paragraph 2.4.7, we acknowledge that we have not been receiving sufficient assurance from some third-party tenants (not third-party operators) and plan to urgently rectify this.

Paragraph 2.4.8 suggests that we could improve communication and co-operation with third parties in multi-cargo. We currently have several PCBU collaboration forums, one of which meets three times per week. Representatives at these forums include relevant PCBUs, as well as

representatives from Customs and the Ministry of Primary Industries. We are working hard to improve communications.

Paragraph 2.4.9 records the efforts that we are going to, to engage with third parties. We already have Common User Safety Protocols and Terms of Entry which creates a clear expectations document. This document will be reviewed following any work on the Critical Risk Programme.

The recommendation in paragraph 2.4.12 has already been completed.

2.5 Fatigue

The report recognises the significant amount of focus that has been placed on managing fatigue, that includes engaging subject matter expertise, establishing a Fatigue Risk Management Committee and implementing a Fatigue Risk Management System (FRMS). The Committee will receive further education on fatigue management, to include working hours, task fatigue, sleep management, nutrition and exercise. This will provide them with further skills to review the FRMS, its tools and documentation and support any improvements required.

2.6 Incident reporting and investigation

Paragraph 2.6.1 refers to incident reporting. Our PortSafe reporting system is designed so that each employee can report any hazards, near misses or incidents. It is possible that employees elect not to report near misses or incidents. This is partly a safety cultural issue, which we are working to address. We are also looking at ways to make reporting easier that supports a culture of shared ownership and responsibility toward managing hazards.

In response to paragraphs 2.6.2 and 2.6.3, we are seeking to improve the reporting culture from managers. Specifically, we are looking to improve the communication between all parties to ensure hazard improvements are identified and implemented effectively. There is a zero-tolerance for managers not acting once they have received a concern/complaint/incident or near miss report.

Paragraphs 2.6.4 and 2.6.5 relate to investigations of incidents. We have a dedicated health and safety team and operational performance coaches who are appropriately trained in ICAM methodology, have the necessary skills and experience, and are always ready to undertake the necessary investigation. We believe this is sufficient to ensure that high potential incidents are adequately investigated. However, we are planning a lower level of incident investigation training for Health and Safety Representatives and frontline managers as recommended.

We have recently completed the review suggested in paragraph 2.6.8, and we have already developed an incident management matrix to establish a hierarchy that prioritises incident response, notification, and investigation.

In reply to paragraph 2.6.9, we already link incidents to critical risks when an incident occurs. We are currently working to improve linking incident reporting to critical risks to determine any failed control. This will form part of the Critical Risk Programme.

2.7 Organisational culture and engagement

In response to paragraph 2.7.6, we are currently working to ensure that all employees feel that their voice is heard. This includes Health and Safety Committees, more engagement at shift briefings, and suggestion boxes. We have recently conducted 15 strategic planning workshops for workers across the port. All workers were paid to attend these sessions and we would like to thank our workers for their valuable input. This is being used to help us finalise our Safety and Wellbeing Strategic Plan. We are targeting having the plan approved by mid-April.

In response to 2.7.7 we are very concerned to hear that some workers perceived that there are negative outcomes for raising health and safety issues. Any barriers to raising health and safety issues is a serious concern to us and will not be tolerated by management.

Regarding paragraph 2.7.10, we would like to note we had already conducted a staff engagement survey in October 2020 that included safety culture questions. We have been sharing, discussing, and holding action planning sessions with all staff using the results of that survey over the past few months.

In response to paragraph 2.7.12, we have described in the Leadership section of this report how we are currently working to improve frontline leadership training, as recommended. We highlight here again, the focus this will have on visible, felt safety leadership to improve organisational culture and engagement.

2.8 Health and Safety Function

We acknowledge the challenges our Health and Safety team had suffered during 2020, dealing with a global pandemic, a fatality and team members leaving. Most of this was beyond our control. We have already recruited three new senior team members, including a new manager who we believe is a transformational leader and who has already made a significant positive impact on our organisation. We are currently recruiting several more team members. The new team structure will increase the size of the team from 7 to 11 qualified and experienced H&S representatives, providing the necessary resources to monitor and effectively support the management of H&S for POAL.

As the CHASNZ report noted the new H&S team manager continues to report to the Deputy CEO and CFO which we believe is optimal for POAL. However, we would like to note that the manager attends all Executive meetings and Board meetings to present the Health and Safety agenda items. The manager will be attending the Board Health and Safety Committee meetings, and due

to the CHASNZ recommendation, we are changing the role to have a dotted line to the CEO and they will meet together regularly.

The Strong Foundations, Safe People programme was developed by the Executive Team following the fatality, its main focus was within the container operations area. A number of those initiatives have been completed. Where they are still in progress, the key safety components have been included in the Safety and Wellbeing Strategic Plan. In response to paragraph 2.8.8, the new H&S team manager has already prepared a new strategy which is under consultation with workers and POAL PCBU's. We are aiming for this to be approved by the Board in mid-April.

2.8 Training

We thank CHASNZ for reporting they consider that our training and assessment activities are carried out to a high standard. We accept all their training recommendations.

2.9 Continuous improvement

We accept all these recommendations and are already reviewing our shift toolbox meetings.

Conclusion

The CHASNZ report was commissioned to help Ports of Auckland identify and address shortcomings in its health and safety environment. By its nature, the report has focussed on the things that need improving, which can make it appear like a daunting challenge for the organisation. However, it is not. As the report notes, there are parts of the business which have managed safety well, which shows that we can do it across the entire business if we all work together and support each other to make change.

We welcome the opportunity and direction that this report gives us, and we are determined to deliver the change that is needed.