

# Community Reference Group

**Minutes of Meeting held on 30 March 2016 at 5.30 p.m.**

**Venue: Tamaki Room, Ports of Auckland Building**

**Present:**

<b>Name</b>	<b>Organisation</b>
Bob Tait	Friends of the Earth
Graham Bush	Campaign for Better Transport
Stephen Wagstaff	Auckland Yacht and Boating Association
David Aitken	National Road Carriers
Rick Ellis	Gladstone Apartments
Dennis Knill	Gladstone Apartments
Ken Baguley	Orakei Local Board
Luke Niue	PCC
Ardeth Lobet	CBD Resident's Advisory Group
Michael McKeown	CBD Resident's Advisory Group
Mike Blackburn	PCC
Tony Gibson	POAL
Matt Ball	POAL
Raoul Borley	POAL
Alexandra Ropati	POAL

**Apologies:** Alistair Kirk, Allan D'Souza, Nicola Tapper, Mark Thomas, Sally Giles, Grant Turner, Pippa Coom, Yvonne Theuerkauf

**Minutes of last meeting**

The minutes of the last CRG meeting held on 9<sup>th</sup> December were taken as read.

**Business Update – Tony Gibson**

Tony Gibson ran through highlights from the Port's half year results for the six months ending December 31 2015. He noted that dividend for the last six months was \$25.9 million, up on the previous year by 1.79%. He mentioned that this indicated the Port is making the best effort to control costs and keep them down.

Tony also noted that ship calls were up 6.2% on the previous year, cruise calls were

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also up on the previous year (increasing from 27 calls to 31 calls). He also noted that cars handled by the Port were up 4.4% at 124,009 cars for the period. This was contrary to the expected softening of volumes by the industry.

Tony discussed the outlook for the shipping industry noting that it is not in great shape. He noted that the combined losses of shipping lines is around \$50 billion which is being driven by more capacity than supply. New Zealand's growth rates are low with 30% excess capacity in the market.

Tony mentioned the Port is doing its best to offer the lowest costs to customers through strategic initiatives. These initiatives include the Ports of Auckland network of freight hubs. The freight hubs help to reduce empty positioning of containers. Tony also discussed the Port's recent consultation process on a proposed partial automation of the container terminal. He noted that a paper will go to the board next week.

Tony also updated the group on the 20 year project that is about to come to completion at the Fergusson container terminal. He noted the extension will be complete mid to late 2017 and that the Port will be purchasing high productivity quay cranes for the new berth.

Luke Niue asked about the future of iron sand, commenting that volumes are significantly down. Mike Blackburn also asked if there were expectations for iron sand export volumes to increase. Tony Gibson commented that the Port has seen a 50% reduction in volumes recently and that it is unlikely this trend will turn around based on commodity pricing and the exchange rate.

Rick Ellis discussed Tony's comments around the outlook and the current state of the shipping industry. Rick specifically asked if the outlook has been declining over the last 12 to 24 months. Tony Gibson noted that it has been in decline for a couple of years. He also noted a Korean shipping line that is on the verge of bankruptcy. He talked about the rationalisation and consolidation of shipping lines and that we can expect to see more of this. He referenced the recent merger of China Shipping and CMA CGM.

Mike Blackburn asked about bulk volumes and why is it more efficient to export bulk through Tauranga for volumes over 1 million tonnes? Tony Gibson noted that rail makes this strategy effective but it would not be efficient or effective to send all bulk to Tauranga, especially at lower volumes.

Tony Gibson continued to update the group on the Port Future Study. He noted that the Concensus Working Group (CWG) have released some initial work releasing a long list of potential sites. The sites are those deemed technically possible for a working port. Ernst Young (EY) have been looking at what the practical aspects are around a couple of these sites. Tony noted he thinks that Manukau and the Firth of Thames are likely to be two sites that EY will look into in more depth. A report will be presented to the CWG by the end of April.

Tony also noted that EY's prediction around container growth is much higher than the Port's projections. He explained that the Port uses a calculated measure using the current TEU consumption equivalent per head of population then applying that to the

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predicted population growth. He noted this is for container growth only and doesn't apply to breakbulk.

Mike Blackburn asked if EY are looking at the Gulf report as part of their Port Future Study work. He noted this was released by Auckland Council. He further asked if EY and the CWG are taking into account the environmental factors and implications for moving the port. In particular, have they looked at the potential implications for the Firth of Thames?

Matt Ball commented that EY would look into all aspects.

Ken Baguley discussed growth predictions and asked would Auckland apply an international methodology. Tony Gibson answered that international models don't apply to our market. He further commented that Auckland will have enough capacity for 100 years or more at its current site. Ken asked how many TEU will come through Auckland in 100 years. Tony answered that this would depend on population growth and future freight trends.

Tony Gibson further noted that EY have not fully taken into account what technology will do to change the face of transport.

Mike Blackburn asked if EY have considered Whangarei or Tauranga as part of the Port Future Study. Tony Gibson answered that they have indeed visited these ports as part of the study. He also mentioned that those two ports have enough issues locally to deal with relating to their own growth without having to deal with Auckland's growth.

Mike also asked Tony if he had faith in EY to stop looking at the Auckland port in isolation and in the study as a whole. Tony responded that he will need to see the results of the work presented to the CWG.

Ken Baguley asked about the final destination of containers coming into Auckland. Tony Gibson responded that 70 to 80% of containers coming into Auckland are for the Auckland region. He also noted that 80% of export containers in New Zealand go through Tauranga.

Graham Bush asked that if Onehunga is deemed the most suitable alternative port site, will the Port get the site back off Panuku Development. Tony Gibson mentioned that this exact site is not at all suitable.

Mike Blackburn commented that to make Onehunga work as an effective port there would need to be a huge infrastructure investment.

Tony Gibson added that EY have identified that Onehunga would be hugely expensive.

Graham Bush asked that with the sale of the Port of Onehunga, what is the future of commercial fishing in the area? Tony Gibson noted that it would likely be developed into an area similar to Wynyard quarter with commercial boats and community spaces.

Tony Gibson continued to update the group on the Port's community events that took place this year. He noted the Port's annual open weekend, SeePort, saw over 60,000 visitors over three days including a popular Sunday evening concert with the Auckland Symphony Orchestra. He noted the Port's crane and straddle simulator was very popular with visitors and that the event is confirmed to return in 2017 over Auckland Anniversary weekend.

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Dennis Knill commented that he had attended SeePort for two out of the three days and that it was a great event.

Tony Gibson updated the group on the Port's seventh consecutive year as naming rights sponsor of Ports of Auckland Round the Bays. He noted that \$50,000 was donated to five official charities in addition to \$133,000 which was raised by participants for charities of their own choice.

Tony Gibson also mentioned the annual Ports of Auckland Charitable Golf Day, noting that the event raised \$52,000 for Cure Kids in March 2016.

Ken Baguley asked about the Port's capacity for rail moves. Tony Gibson noted that we have capacity for 56 rail moves per week which is more than sufficient. Ken further asked if the Port could anticipate more demand for rail in the future. Matt Ball answered that KiwiRail have previously commented that they could quadruple the current rail capacity with a small amount of work. They could increase capacity without building a third line.

Luke Niue enquired about the Rainbow Warrior memorial. Matt Ball answered saying that the Port is working through feedback and that there was more feedback against the idea of a new memorial than expected. He noted that opinions were strong but reasoned. Some people pointed out that there is a memorial already on Quay Street and that a new memorial is probably not needed. There were also comments around using images of the vessel or incorporating more history into the design. Matt noted that feedback has been passed on to the designers and the Port is expecting to have a revised design come through half way through 2016.

Matt also discussed work that is underway on the Red Fence with the historic section being updated. He further advised the group that the Port is bringing the rock that marks Britomart point to the outside of the fence following conversations with Ngati Whatua to find a more appropriate place for it to sit.

Rick Ellis asked if there is any merit in Ports of Auckland and Tauranga working more closely together? Tony Gibson replied that if the EY report concludes that Auckland will reach capacity in the future then Auckland may need to landbank a new area with Tauranga. He also added that given the combined trade between Auckland and Tauranga would be 66% of national trade, there would likely be Commerce Commission implications. He concluded that despite what is happening in the market neither port is giving value back to shipping lines but retaining it instead.

Rick Ellis asked Tony Gibson to confirm that EBIT to revenue for Auckland is 49%. Tony confirmed this and added that the average EBIT to revenue for South Island ports is approximately 29%.

Luke Niue mentioned the Quay Street Cycleway project that is underway and noted that many trucks are still coming through downtown Auckland on the northern motorway to reach the Port. Tony Gibson responded that a lot of work has been done with NZTA, Parliament and Council on this. He noted that the Minister of Transport had recently visited the port and this issue was discussed. Tony further added that this issue needs to get on the NZLTP. He also noted that this is a big issue for the Port Future Study and is being looked at.

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David Aitken noted that the trucking industry can be asked to change their habits and behaviours but will ultimately take routes that are most efficient.

Mike Blackburn said that Council keep brushing the issue of trucks traveling through downtown Auckland under the table and that they are in denial that there is an issue at all. He questioned whether anyone is dedicating any money to solving this problem. He also added that there needs to be a more concerted effort.

Tony Gibson noted that funding for this work would be 40% from local government and 60% from central government but it needs to get on the NZLTP first. He also added that there are trucks traveling through residential areas and through downtown that are not coming or going to the port.

David Aitken added that there are not a huge number of container trucks traveling through the discussed areas. A lot of these trucks are not carrying containers, i.e. the large number of trucks entering and exiting Eastridge mall each day.

Mike Blackburn asked if there are dedicated routes provided for large trucks that are overweight. He further asked if there are distinguished routes for container trucks and other truck types. The answer from David Aitken was that there are not.

#### **Update on engine braking and noise monitoring – David Aitken, NRC**

David noted that National Road Carriers (NRC) have been working with Ports of Auckland and NZTA on a noise camera. The camera has been installed on The Strand. He also mentioned that it is the first camera of its kind to be installed in New Zealand. It was due to be installed up North but has been set up in Auckland instead.

The camera is triggered by engine braking sounds or modulated sounds that replicate the sound of engine braking. The sound needs to be reasonable and louder than ambient or background noise. David noted there are a few things that can trigger it, including birds that choose to sit on the speakers.

David said that the camera had been in place for three weeks already but it will stay in place for six months. It is currently the most effective way of monitoring engine braking noise. He also informed the group that in the three weeks that the camera had been set up and there and five confirmed incidents of engine braking.

Mike Blackburn asked how the camera reads noise. David said that the camera does not take a decible reading but instead reads noises similar to engine braking. He also reminded the group that noises other than engine braking can set off the camera.

Matt Ball asked if someone views the camera footage to then confirm incidents of engine braking. David Aitken said that the camera will take an image when the microphone is triggered.

Rick Ellis questioned the total number of events and when they were occurring. David Aitken responded that the camera runs 24/7 although all confirmed incidents happened between 08:00 and 17:51.

Mike Blackburn questioned whether the camera was accurate.

Rick Ellis pointed out his residential address which overlooks The Strand. He shared his opinion that he thought it was impossible for there to only be five confirmed incidents of

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engine braking as he hears it more often than that. David Aitken pointed out that while there were five confirmed cases, three cases were still yet to be confirmed.

There was some discussion over what is classified as engine braking.

Mike Blackburn asked what vicinity is measured by the microphone and what the parameters of the report are. He asked if any noise mapping and data collection has been done.

David Aitken said that the area on The Strand was chosen because it was identified by the CRG that this is where the engine braking sounds were originating from. David added that the noise camera is the most effective tool available in the country.

Dennis Knill commended the NZTA on taking action. He noted a CRG member who brought engine braking to the agenda in the last CRG meeting who mentioned that engine braking was a common problem for residents in their building. He added that he has noticed trucks engine braking mostly before they get to the set of lights on The Strand. He would not accept that there have only been five confirmed incidents in three weeks.

David Aitken said that NRC have told the industry not to use engine brakes. They have also not told anyone that the cameras are in place so they can get an accurate picture of who is offending.

Rick Ellis said if trucks were taken out of the equation then noise coming from port operations is of an acceptable level. It is the engine braking and truck sounds that are too loud.

### **Update on black smoke from ships - Matt Ball**

Matt Ball discussed that the Ports of Auckland had approached people in the shipping industry to determine what the causes are of black smoke coming from ships.

It was determined that when a ship is at its berth and they are smoking, the Port is able to proactively do something about it and do something quickly. He added that smoking at berth should not be happening because there are no huge changes to the load and generators should be running, not the ship engine.

He further added that when ships are arriving or leaving, with black smoke, there is nothing that the Port can do to solve this. The black smoke arises from generators arriving before they get in to berth. When ships are leaving, the black smoke comes from the generators being shut down. Several in the group asked if it was happening due to a lack of ship maintenance. Matt Ball responded that it wasn't, it was likely because they burn a bit more fuel on start up.

Mike Blackburn asked if Ports of Auckland will introduce ship to shore power like European ports do. Matt Ball answered saying that they aren't looking into it and that many European ports aren't actually introducing ship to shore power unless they can get a good level of support and funding. He noted that Auckland looked into it previously and it would cost approximately \$12 million.

Mike Blackburn noted that noise and air quality are big issues. Matt Ball responded that if ports have shore power it still won't affect black smoke because black smoke starts from engines starting when they apply full power.

Mike b – noise and air quality – big issues.

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Dennis Knill noted that he thinks the black smoke issue is improving. He recalled seeing a cruise ship coming into Auckland port recently bellowing black smoke. He further added that he doesn't think it is a Ports of Auckland issue but rather a Maritime New Zealand issue. He asked how the message can be conveyed to the authorities, especially as there are a greater number of ships coming and going now.

Raoul Borley added that even if Ports of Auckland put shore power on supply, many of the vessels calling Auckland wouldn't be equipped for shore power anyway.

Dennis Knill remarked that a lot of ships calling Auckland look quite old.

Matt Ball shared with the group the recent visit from the Hoegh Trigger, the biggest vehicle carrier to call Auckland, which is much more environmentally friendly than many other ships.

Dennis Knill noted that a lot of the ships blow smoke when they start up for a few minutes and then it dissipates. He talked of occasions where he had spoken to Harbour Control who contacted the pilot, then the captain and the smoke had stopped on occasion. He then questioned why smoke happens at all.

Mike Blackburn further asked how black smoke works. Raoul Borley answered that the ships need a lot of power to get the engine and the vessel through the channel. He added that it is in the ship's best interest not to blow too much power and crews will work to reduce the fuel consumption. He noted it was unlikely ship crews would intentionally blow too much power.

Ken Baguley asked if Ports of Auckland have a feedback email line. Matt Ball mentioned that the Port does have one.

Dennis Knill commented that a year ago a ship came into Auckland port that Tony Gibson had recalled seeing in San Francisco not long before. Dennis noted that this particular ship was fined for environmental issues in San Francisco. Dennis asked what was the point of complaining if complaints were just recorded but nothing was done about them. Matt Ball responded that there is a point in giving feedback to the port, but in the case of black smoke on arrival or departure the Port is unable to do much. He added that in berth there is no reason for the ship to be smoking so the Port can do something about that.

Dennis Knill further questioned whether the issue is because ships are really old. He questioned if they were safe to be on the water.

Graham Bush asked if shipping lines were educated to know that the Hauraki Gulf is a marine park and that they are expected to operate under best practice.

Mike Blackburn asked if the Port had a data collection area and transparency of data available relating to Bryde's [whale] strikes, noise complaints, black smoke etc. Matt Ball responded that Diane Edwards of Port of Auckland is looking into how the organisation collects and uses data so that it can be more usable and made more available. Mike Blackburn commented that it would certainly help provide some solutions.

Mike Blackburn further commented that there is a lack of information and that the Port should make more data available being a city port. He added the Port has a responsibility to noise map and make the data available.

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Dennis Knill commented that all of the calls he has made to the Port have been about ships blowing smoke. He added that he thinks the Port is a good corporate citizen and that black smoke isn't a Port problem, but rather something that Maritime New Zealand should be addressing.

Matt Ball agreed saying it is a national issue and a bigger emission problem. He noted that overseas there are government mandated areas where ships must burn a different type of fuel. Mike Blackburn asked if bunker fuel would be stopping. Matt Ball said it would not. He did add however that two vehicle carriers that recently called Auckland had were using ultra low sulphur fuel. He also noted that a national government approach is needed to look at shipping emissions.

Mike Blackburn commented that a million people die each year from sulphur contamination.

Matt Ball reminded the group to contact the Port if a ship is seen emitting black smoke while at berth.

Mike Blackburn asked if the Port has a responsibility of the vessel while it is at berth. Raoul Borley answered that they don't. The Port cannot order the ship off the berth, only refuse service if necessary. He added the Harbour Master would make a call to order a ship off berth.

#### **AOB – Matt Ball**

Matt Ball asked the CRG if there was any other business.

Mike Blackburn asked if there had been any Bryde's strikes recently. Matt Ball responded that there had not been any of late. Mike further asked if the thermal detection technology was going to be rolled out in New Zealand. Matt Ball said it would not at this stage.

The meeting ended at approximately 6.40pm.

**Next meeting:** Wednesday, 29 June